First North Bond Market – Rulebook

7. December 2012
Table of Contents

1. Introduction .................................................................................................................. 4
2. Admission and removal of fixed income instruments to trading on First North .......... 5
   2.1 General...................................................................................................................... 5
   2.2 Admission requirements ......................................................................................... 5
       2.2.1 Requirements for fixed income instruments ............................................... 5
       2.2.2 Company Description ................................................................................... 5
       2.2.3 Certified Adviser ......................................................................................... 6
       2.2.4 Organizational requirements ......................................................................... 6
   2.3 Certified Adviser ..................................................................................................... 6
       2.4 Application for admission to trading on First North ......................................... 6
   2.5 Admission ............................................................................................................... 6
   2.6 Voluntary removal of fixed income instruments .................................................. 6
   2.7 Application and annual fees .................................................................................. 6
3. Company Description .................................................................................................... 7
   3.1 General .................................................................................................................... 7
   3.2 The contents of the Company Description ........................................................... 7
   3.3 Liability statement from the Board of Directors ................................................... 8
   3.4 Publication of the Company Description or prospectus ....................................... 8
   3.5 Exemptions and requirements when a prospectus is prepared............................ 8
4. Disclosure and information requirements for Issuers with fixed income instruments traded on First North .......................................................................................................................... 10
   4.1 The Issuer’s obligation to disclose information ..................................................... 10
   4.2 Publication of press releases/announcements ....................................................... 10
   4.3 Website .................................................................................................................... 11
   4.4 Language ................................................................................................................ 11
   4.5 Annual report and accounting principles ............................................................. 11
   4.6 Report of annual earnings figures and half-yearly reports .................................... 12
   4.7 Qualified auditors’ reports ................................................................................... 13
   4.8 General meetings ................................................................................................... 13
   4.9 Changes in the Issuer’s management, advisers etc. ............................................. 13
   4.10 Information to the Exchange ............................................................................. 13
   4.12 Trading on another market place ........................................................................ 13
   4.13 Voluntary removal of fixed income instruments from trading on First North .... 13
5. Certified Adviser ............................................................................................................ 14
   5.1 Requirements regarding the Certified Adviser ....................................................... 14
   5.2 The obligations of a Certified Adviser ................................................................... 15
   5.3 Independence .......................................................................................................... 15
   5.4 Changes in the organization of a Certified Adviser ............................................. 16
   5.5 Review of Certified Adviser .................................................................................. 16
   5.6 Termination of agreement ..................................................................................... 16
   5.7 Application and annual fees .................................................................................. 16
6. Trading rules and membership conditions .................................................................... 17
   6.1 General .................................................................................................................... 17
7. Sanctions and termination of agreement ...................................................................... 18
   7.1 Sanctions against Certified Adviser ....................................................................... 18
7.2 Sanctions and other actions in case of non-compliance by an Issuer .................................................. 18
  7.2.1 Sanctions against Issuers .............................................................................................................. 18
  7.2.2 Administrative decision in respect of Issuers ............................................................................... 19
  7.2.3 Observation Status ...................................................................................................................... 19
  7.3 Procedures ........................................................................................................................................... 20
8. General provisions ..................................................................................................................................... 21
  8.1 Dispute resolutions ............................................................................................................................ 21
  8.2 Exemptions .......................................................................................................................................... 21
  8.3 Amendments ...................................................................................................................................... 21
Supplement A – Sweden ............................................................................................................................. 22
  2.2 Admission Requirements .................................................................................................................. 22
    2.2.1 Requirements for fixed income instruments .............................................................................. 22
7. Sanctions and termination of agreement ................................................................................................. 22
  7.2 Sanctions against Issuers .................................................................................................................. 22
  7.3 Procedures .......................................................................................................................................... 22
8. General provisions ..................................................................................................................................... 22
  8.2 Dispute resolution ............................................................................................................................. 22
Supplement B – Denmark ............................................................................................................................ 23
  2.2 Admission Requirements .................................................................................................................. 23
    2.2.1 Requirements for fixed income instruments .............................................................................. 23
3. Company Description ............................................................................................................................... 23
  3.4 Publication of the Company Description or prospectus ...................................................................... 23
7. Sanctions and termination of agreement ................................................................................................. 23
  7.3 Procedures .......................................................................................................................................... 23
Appendix A – Application to become Certified Adviser on First North Bond Market ....................... 24
Appendix B – Application for admission to trading on First North Bond Market ................................... 26
Appendix C – Information that shall be included in the agreement between the Certified Adviser and the Issuer .................................................................................................................................................. 28
Appendix D – Information regarding new or changed designated contact persons ............................... 29
Appendix E – Information to be included in the Prospectus or Company Description ....................... 30
Appendix F – Acceptance form for the use of personal data .................................................................... 31
1. Introduction

1.1 First North Bond Market is a joint Nordic offering from the Nordic NASDAQ OMX exchanges in Stockholm and Copenhagen.

1.2 First North Bond Market is a market operated by NASDAQ OMX Stockholm AB (First North Sweden and NASDAQ OMX Copenhagen A/S (First North Denmark). NASDAQ OMX Iceland hf. (First North Iceland) has a separate rulebook concerning fixed income instruments traded on First North Iceland. Any reference to First North Bond Market in the Rules of First North Bond Market (“the Rules”) shall be construed as reference to the relevant First North Bond Market. The term “Exchange” is used for the authorized operator of the relevant First North Bond Market.

1.3 Issuers applying to be traded on First North Bond Market shall engage a Certified Adviser at least in connection with the application process. It is the Certified Adviser’s obligation to guide the Issuer through this process and to make sure that the Rules are fulfilled. The Exchange will continuously monitor that trading on First North Bond Market is effected in accordance with NASDAQ OMX Member Rules (NMR) and the Rules, as appropriate. The Exchange will also monitor that Certified Advisers fulfil their obligations according to the Rules.

1.4 The Rules are divided into two parts: admission requirements and continuous disclosure rules. The admission requirements specify the conditions for Issuers that apply for admission to trading on First North Bond Market and the continuous disclosure rules govern the disclosure obligations of such Issuers. The admission requirements shall be fulfilled continuously unless specifically stated.

1.5 Trading on First North Bond Market is governed by NMR and conducted in the same manner as for fixed income instruments admitted to trading on the regulated markets. The provisions in NMR mainly govern trading. Information regarding prices, volumes and order depth is published in real time through the same channels as for fixed income instruments admitted to trading on the regulated markets.

1.6 The Certified Adviser and the Issuer shall at all times comply with the most recent applicable version of the Rules as published on First North’s website.

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1 This market is not a ”regulated market” as defined in EU legislation (as implemented in national law) but an MTF, as defined in EU legislation (as implemented in national law). First North Denmark is categorized as an Alternative Marketplace according to the Danish Securities Trading etc. Act.
2. Admission and removal of fixed income instruments to trading on First North

2.1 General

(a) Fixed income instruments may be admitted to trading on First North Bond Market where the Exchange finds that they meet First North’s requirements.

(b) The Exchange may impose any special eligibility requirement on the Issuer that it deems appropriate in order to protect investors and the reputation of the marketplace. Irrespective of whether an applicant satisfies all the requirements, the Exchange shall be entitled to reject the application if it concludes that approval of the applicant might damage public confidence in the Exchange, or the securities market.

(c) The Exchange and the Certified Adviser shall, upon request, be given immediate access to all information from the Issuer as the Exchange or the Certified Adviser deem necessary for an assessment of the Issuer.

2.2 Admission requirements

2.2.1 Requirements for fixed income instruments

(a) The Issuer shall be duly incorporated or otherwise validly established according to the relevant laws and regulations of the country of incorporation or establishment.

(b) The instruments shall be freely negotiable.

(c) The registration application shall apply to all of the instruments that are part of the issue.

(d) Instruments shall be registered electronically and shall be able to be cleared and settled in a manner acceptable by the Exchange.

2.2.2 Company Description

(a) The Exchange shall receive a Company Description or an approved prospectus not later than at the time it receives an application for admission to trading on First North, cf. chapter 3 below. The Certified Adviser shall ensure that the Company Description contains all of the information set out in chapter 3.

(b) A Company Description is not necessary if the Issuer is required to publish a prospectus according to law or where sufficient information is already available to the market.

(c) If the Exchange considers certain information to be important and in the interest of the investors, the Exchange may require that the Issuer publishes supplementary information.
2.2.3 Certified Adviser

The Issuer shall sign an agreement with a Certified Adviser at least covering the period for application for admission to trading and until the first day of trading. The Issuer and the Certified Adviser may decide to continue the relationship even after the first day of trading. In that case the requirements for Certified Advisers apply also after the first day of trading. The requirements for Certified Advisers are set out in chapter 5.

2.2.4 Organizational requirements

The Issuer shall, at all times, possess the organization and staff required in order to comply with the requirements regarding disclosure of information to the market as set forth in chapter 4.

2.4 Application for admission to trading on First North

The Issuer and the Certified Adviser shall sign Appendix B – Application for admission to trading on First North Bond Market – and the Certified Adviser shall submit the application together with a Company Description cf. Rule 2.2.2, to the Exchange. A signed and complete Application for admission to trading on First North Bond Market shall be received by the Exchange no later than 8 working days prior to the scheduled first day of trading.

2.5 Admission

A decision to admit the Issuer’s fixed income instruments to trading on First North Bond Market shall be taken by the Exchange.

2.6 Voluntary removal of fixed income instruments

Where the Issuer has requested that its fixed income instruments be removed from trading, such a request shall be respected unless the Exchange finds that removal would be detrimental to the interests of the investors or the securities market. The Exchange shall, following consultation with the Issuer, decide on the last day of trading.

2.7 Application and annual fees

The Issuer shall, in accordance with the Exchanges’ Price List in force, pay fees to the Exchange. Notice in respect of fees shall be given no less than 30 days prior to the due date for the payment of the fee. The fee is non-refundable, regardless of whether or not the fixed income instrument is subsequently admitted to trading following an application or removed from trading.
3. Company Description

3.1 General

The Certified Adviser shall submit a Company Description together with its application for admission of fixed income instruments to trading on First North. The Certified Adviser shall make sure that the company Description contains all the information set out in this chapter. A complete Company Description and check-list shall be submitted to the Exchange no later than 8 working days prior to the proposed first day of trading in the Issuer’s fixed income instruments.

3.2 The contents of the Company Description

(a) The Company Description shall at least include the following information;

(i) description of the Issuer, including the business model, organization, competitive situation, most significant markets, most significant risk factors and the reasons for the decision to apply for admission to trading;

(ii) the Issuer’s annual reports or financial statements for the last two years, where applicable as well as the general financial trend over the last two years;

(iii) the Issuer’s most recent financial report;

(iv) description of the Board of Directors and the Management of the Issuer;

(v) all information about historical, or on-going, bankruptcy, liquidation or similar procedure and also fraud related convictions or on-going procedures in which any person in the Management and/or board of the Issuer has been involved. The historical information shall cover at least the five previous years;

(vi) description of significant contracts/patents, etc.

(vii) description of the ownership structure, including any shareholdings in the Issuer held by the Board of Directors, Management and Certified Adviser;

(viii) description of any transactions with persons discharging managerial responsibilities in the Issuer, board members, affiliates to such persons, major owners or another Issuer within the same group as the applicant;

(ix) the date of the first annual general shareholder meeting following the application as well as the scheduled date for first publication of the audited or unaudited annual financial statement or interim financial statement following such application, as the case may be;

(x) the identity of the Certified Adviser and any liquidity provider retained by the Issuer;

(xi) other relevant information depending on specific circumstances, such as tax, litigation etc; and

(xii) if an Issuer does not possess documented earnings capacity, an explanation stating whether the Issuer possesses sufficient financial resources in order to be able to conduct the planned business for at least twelve months after the first day of trading. It shall also be made clear

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2 The check-list is available at First North website.
when the Issuer expects to be profitable and how the Issuer intends to finance its operations until such time.

(xiii) Description of the fixed income instruments including the terms and conditions for the issue.

(xiv) Description of the ranking of the securities being admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the Issuer.

(xv) Description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.

(xvi) Description of any representation of debt security holders including an identification of the organization representing the investors and provisions applying to such representation. Indication of where investors may have access to the contracts relating to these forms of representation.

(xvii) Details of any credit ratings assigned to the Issuer or its debt securities at the request or with the co-operation of the Issuer in the rating process.

A disclaimer concerning the First North Bond Market shall be put on the first page of the Company Description (see Appendix E).

3.3 Liability statement from the Board of Directors

The Board of Directors shall be liable for the Company Description and shall include in the Company Description a statement as to the accuracy of the Company Description. The standardized liability statement text in Appendix E shall be used for this purpose.

3.4 Publication of the Company Description or prospectus

Information about the Company Description or prospectus, as the case may be, shall be published in a press release/announcement and the Company Description/prospectus shall be put on the Issuer’s website not later than two business days prior to the first day of trading.³

3.5 Exemptions and requirements when a prospectus is prepared

(a) A Company Description is not required if the Issuer is subject to requirements to draw up and publish a prospectus due to the admission to trading on First North.⁴

(b) The Issuer shall in such circumstances submit the prospectus to the Exchange together with the application.

(c) The prospectus shall contain information as to whether the Issuer possesses sufficient financial resources in order to be able to conduct the planned business for at least twelve

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³ See Supplement B - Denmark for additional requirements for publication.
months after the first day of trading, if the Issuer does not possess documented earnings capacity. The prospectus shall also, in such circumstances, include information about when the Issuer expects to be profitable and how the Issuer intends to finance its operations until such time. The first page of the prospectus shall contain the disclaimer text set out in Appendix E.

(d) If the information in Rule 3.5(c) is not included in the prospectus, the Issuer shall issue a press release/announcement with equivalent information, except for the disclaimer, and also keep the information available on its website.
4. Disclosure and information requirements for Issuers with fixed income instruments traded on First North

4.1 The Issuer’s obligation to disclose information

(a) An Issuer whose fixed income instruments are admitted to trading on First North Bond Market shall continuously comply with the Rules set forth in this chapter.

(b) An Issuer shall as soon as possible publish any decisions taken by it as well as any facts and circumstances pertaining to the Issuer that are likely to have a significant effect on the price of its fixed income instruments including changes in terms and conditions of the fixed income instrument.

(c) If an Issuer reasonably expects that it would be detrimental to its commercial interests to publish information referred to in Rule 4.1(b), it may defer publication to the market. Publication may, however, be deferred only if all of the following requirements have been fulfilled:

(i) the deferral is made for acceptable cause;
(ii) it is reasonable to expect that such deferral would not mislead the public or otherwise compromise the interest of the investors or the market; and
(iii) the Issuer is able to guarantee that the deferred information can be kept confidential.

(d) When an Issuer defers publication of information pursuant to Rule 4.1(b) it shall immediately inform the Exchange of its decision to defer such publication.

(e) An Issuer that has deferred publication of information pursuant to Rule 4.1(b) shall:

(i) deny access to such information to persons who do not need the information;
(ii) ensure that all persons with access to such information understand their legal obligations in connection therewith and understand the sanctions imposed in respect of the abuse and illicit dissemination of that information; and
(iii) immediately publish the information if it has failed to keep the information confidential.

4.2 Publication of press releases/announcements

(a) Publication of information according to this chapter shall take place as soon as possible, i.e. in direct conjunction with the adoption of a resolution, an election having taken place, or a circumstance becoming known to the Issuer. The information shall be correct, relevant, and reliable, and shall not omit any fact which is likely to affect the assessment of such information.

(b) In connection with the press release/announcement the following information shall be published:

(i) the name of the Issuer; and
(ii) a description of the type of information that is being published.
(c) The Issuer shall be deemed to have published the information at the date and time indicated by the distributor to whom the Issuer has forwarded the information for publication in, or in connection with, that distributor’s publication of the information.

(d) Information to be disclosed according to this chapter shall be disclosed in a manner that ensures fast public access to such information on a non-discriminatory basis.

(e) The information shall simultaneously with the disclosure to the market be provided to the Exchange, in the manner prescribed by the Exchange, and made available on the Issuer’s website as soon as possible.

(f) Information published on the Issuer’s website pursuant to Rule 4.2(e) shall remain available on the website for a period of 3 years from the date of its original publication.

(g) Material changes in information that has been published shall be published as soon as possible after the occurrence of the change. The Issuer shall use the same type of media for the publication of such additional information as it used to publish the original information.

(h) The Issuer shall not combine the publication of information pursuant to Rule 4.1 with the Issuer’s marketing materials, if doing so would be misleading.

4.3 Website

(a) The Issuer shall have its own website on which all published information from the Issuer to the market shall, unless special cause exists, be readily available for at least 3 years.

(b) Annual reports, prospectuses, terms and conditions and other information provided for distribution to, or kept available to, investors shall be readily available on the website, unless special cause exists.

(c) The website shall also include the Issuer’s articles of association and details of the current Board of Directors and senior management and also the name of the Certified Adviser.

4.4 Language

The Issuer shall publish press releases/announcements in Swedish, Danish, Norwegian or English.

4.5 Annual report and accounting principles

(a) The annual report shall be prepared in accordance with applicable laws or other regulations and in accordance with generally accepted accounting principles in the Issuer’s home state.

(b) If the accounting principles in the Issuer’s home country cannot be regarded as generally accepted, the Exchange may demand supplementary accounting information.
4.6 Report of annual earnings figures and half-yearly reports

(a) After the Issuer’s Board of Directors has approved the annual accounts, the Issuer shall immediately publish a report of annual earnings figures containing the most important information from the forthcoming annual report.

(b) The Issuer shall publish a half-yearly report.

(c) Reports of annual earnings figures and half-yearly reports shall be published as soon as possible, however not later than within three months from the expiry of the reporting period for reports of annual earnings figures and within two months for half-yearly reports. Such reports shall include a statement whether or not the Issuer’s auditor has conducted a review.

(d) If an Issuer decides to publish quarterly reports, then the requirements set out in Rule 4.6(c) for half-yearly reports shall apply and quarterly reports shall in such circumstances also include the information set out for half-yearly reports in Rule 4.6(e) (whereby references to half-yearly reports and periods in that Rule shall be construed as referring to quarterly reports and periods). For the avoidance of doubt, Issuers may publish financial information to the market on a quarterly basis in another format than as quarterly reports. In such circumstances, the requirements in the Rules for quarterly reports will not apply.

(e) Reports of annual earnings figures and half-yearly reports (except for paragraphs (viii)-(x)) shall always include:

(i) a summarized income statement for the financial year and the most recent half-yearly period, including comparative figures for the same period during the previous financial year;

(ii) the balance sheet in summary as of the close of the current reporting period, including comparative figures from the close of the most recent financial year;

(iii) a cash flow statement in summary for the financial year and half-yearly period, including comparative figures for the same period during the previous financial year;

(iv) a summary report showing changes in equity during the financial year and half-yearly period, including comparative figures for the same period during the previous financial year;

(v) explanations of the earnings trend and financial position during the most recent half-yearly period including, inter alia, the effect of significant extraordinary events;

(vi) where information relating to the future is provided, the corresponding information provided in the previous report as well as any changes published since the previous report should also be stated;

(vii) information regarding the date of publication of the next report of unaudited annual earnings figures or half-yearly report;

(viii) proposed allocation of profits;

(ix) information in respect of the planned date of the annual general meeting of the shareholders;
(x) information as to where and when the annual report and financial statements will be made available to the public.

4.7 Qualified auditors’ reports
The Issuer shall publish a qualified auditors’ report immediately after it has been submitted to the Issuer.

4.8 General meetings
The Issuer shall disclose resolutions adopted by the general meeting of shareholders unless such resolutions are insignificant.

4.9 Changes in the Issuer’s management, advisers etc.
All changes in the composition of the Board of Directors, any significant management changes and the resignation or dismissal of auditors, replacement of the Issuer’s Certified Adviser and information on any concluded or cancelled agreement with a liquidity provider shall be published.

4.10 Information to the Exchange
(a) The Issuer shall inform the Exchange about the Company and its business and also provide all information to fulfil the Issuer’s responsibilities as set forth in the Rules.

(b) The Issuer shall notify the Exchange as soon as possible in respect of changes to basic data and terms and conditions.

(c) Where criticism is communicated by the auditors to the Board of Directors or the Issuer’s Management in accordance with applicable law in the Issuer’s home state, the Issuer shall immediately convey such criticism to the Exchange.

(d) The Issuer shall notify the Exchange immediately of circumstances that might necessitate a trading halt.

4.12 Trading on another market place
In the event another exchange or market place decides to commence trading in the fixed income instruments of the Issuer following an application or to remove the Issuer’s fixed income instruments from trading, the Issuer shall publish that information immediately.

4.13 Voluntary removal of fixed income instruments from trading on First North
In the event the Issuer’s Board of Directors decides to apply for removal of the fixed income instruments from trading on First North, the Issuer shall contact the Exchange and publish such a decision immediately.
5. Certified Adviser

The requirements set forth in this section constitute minimum requirements for the granting of permission to operate as a Certified Adviser on First North. In addition to these obligations, a Certified Adviser may be subject to other statutory or regulatory obligations in the jurisdiction in which it operates.

Irrespective of whether an applicant satisfies all the requirements, the Exchange shall be entitled to reject the application if it concludes that approval of the applicant might damage public confidence in the Exchange, First North Bond Market or the securities market.

5.1 Requirements regarding the Certified Adviser

(a) In order to be granted permission to operate as a Certified Adviser, the applicant shall:

(i) be a legal person considered suitable by the Exchange to operate as a Certified Adviser and fulfil the requirements in the Rules;

(ii) have an adequate number of employees for the envisaged activity, designated as contact, however no fewer than two;

(iii) have internal rules regarding trading in financial instruments in Issuers for which the firm acts as a Certified Adviser. Such rules shall prescribe, *inter alia*, that an employee who is involved in the function as Certified Adviser shall not be allowed to trade in financial instruments of any Issuer for which the firm acts as Certified Adviser;

(iv) in relation to the function as Certified Adviser have internal procedures regarding documentation and storage of information;

(v) ensure that the designated contact persons are deemed fit and proper and possess proven experience in the area of financial advice.

(b) The applicant’s designated contact persons shall:

(i) have at least two years’ documented experience in providing consultancy services regarding companies’ capital structure, strategy, acquisitions and sale of companies or related consultancy services;

(ii) possess proven experience within the last two years of at least one equity-based and/or debt-based transaction involving preparation of information material intended for disclosure to the market;

(iii) attend a seminar or receive education provided by the Exchange regarding First North’s Rules and requirements.

(c) The applicant shall submit a completed and signed application to the Exchange, cf. Appendix A. The Exchange shall, within four weeks, decide whether the applicant meets the
requirements. The Exchange grants the status of Certified Adviser after an overall assessment of the applicant.

5.2 The obligations of a Certified Adviser

The Certified Adviser shall:

(i) co-operate with the Exchange in order to maintain the quality and integrity of First North;
(ii) adequately document contacts with the Issuer and store such information in a safe and readily available manner for at least three years;
(iii) fully co-operate with the Exchange in any inquiry regarding its function as a Certified Adviser, including its relationship with the Issuer;
(iv) have in place internal procedures, organization and routines to identify, mitigate and, if not possible to eliminate, disclose any conflicts of interests, if such exist;
(v) take appropriate measures to prevent the disclosure of confidential or other sensitive information unless required by law or the Rules;
(vi) fulfil the obligations in accordance with the latest version of the Rules as published on First North’s website;
(vii) have a written agreement with the Issuer during the application process and at least until the Exchange has taken a decision on whether to approve the Issuer’s application for admission to trading, cf. Appendix C.
(viii) ensure that the Issuer signs the undertaking to comply with the Rules, cf. Appendix B;
(ix) ensure that a Company Description or prospectus, as the case may be, is prepared and submitted to the Exchange in accordance with the relevant rules.
(x) monitor that the Issuer, at the time of admission to trading and for as long as the Certified Adviser acts as Certified Adviser for the Issuer, complies with First North’s admission requirements;
(xi) during the application process and at least until the Exchange has taken a decision on whether to approve the Issuer’s application for admission to trading - advise, support and update the Issuer on its obligations with regard to the application process and subsequent admission to trading on First North;
(xii) have at least one designated contact person available during normal trading hours during the application process and for as long as the Certified Adviser acts as Certified Adviser for the Issuer to answer any queries from the Exchange or the Issuer.

5.3 Independence

(a) The group of companies which the Certified Adviser is a part of may not own 10 percent or more of the shares or voting rights in the company for which any company within such group acts as Certified Adviser. Certified Advisers shall provide the Exchange with information about the group’s holdings in the Issuers to which they provide advice. The information shall be provided to the Exchange.

(b) However, acquisition of fixed income instruments and shares for the purpose of acting as an underwriter or as an equivalent guarantor in case of a public offering shall not be subject to
the restriction set out in Rule 5.3(a). In such circumstances, the Certified Adviser shall take appropriate measures to reduce its holdings whenever possible under the market conditions.

(c) Neither a direct or indirect owner of more than 10 percent of the shares in a Certified Adviser nor any of the Certified Adviser’s employees may be a member of the Board in an Issuer to which the Certified Adviser provides advice or be a member of Management in such an Issuer.

5.4 Changes in the organization of a Certified Adviser

(a) The Certified Adviser shall notify the Exchange of any change that affects the Certified Adviser’s possibility to perform its function, including any disciplinary proceeding, change in personnel and/or organization and any circumstances that might give rise to concern regarding the independence of the Certified Adviser or any conflict of interest vis-à-vis the Issuer.

(b) Appendix D shall be used in respect of changes in personnel or organization.

5.5 Review of Certified Adviser

(a) A Certified Adviser may be subject to a formal review by the Exchange to ensure that it fully complies with its responsibilities under these obligations.

(b) The Certified Adviser shall securely document and store all information relating to its function as a Certified Adviser. The Exchange shall, upon request, be afforded immediate access to all information that the Exchange deems necessary in order to assess the Certified Adviser, including any information about the Issuer, and shall also be afforded access to the Certified Adviser’s premises in order to fulfill its supervisory obligation.

(c) Information received by the Exchange pursuant to a confidentiality undertaking may not be disclosed by the Exchange to any third party without the consent of the Issuer and/or the Certified Adviser. However, if required by applicable law, the information shall at all times be available to the relevant Financial Supervisory Authority in its capacity as the supervisory authority.

5.6 Termination of agreement

(a) Where:

   (i) a Certified Adviser has terminated its agreement with an Issuer or
   (ii) an Issuer has terminated its agreement with a Certified Adviser

for the Certified Adviser to act as Certified Adviser to that Issuer, the Certified Adviser or Issuer (as the case may be) effecting the termination shall communicate that fact to the Exchange in writing as soon as possible, including the reasons for the decision to terminate the agreement.

5.7 Application and annual fees

(a) An application to become a Certified Adviser is free of charge for members of any of the Exchanges.
(b) Entities that are not members shall, simultaneously with the submission of an application to become a Certified Adviser, pay a fee to the Exchange in order for its application to be processed. This fee is non-refundable regardless of whether or not the applicant is subsequently approved as a Certified Adviser.

(c) All Certified Advisers shall pay annual fees to the Exchange in accordance with the applicable price list.

6. Trading rules and membership conditions

6.1 General

(a) In order to gain access to trading on First North Bond Market, an investment firm shall be a member of the Exchange that operates the particular market.

(b) NASDAQ OMX Member Rules apply subject to the terms set out in this Chapter to the trading on First North Bond Market. NASDAQ OMX Member Rules are available on www.nasdaqomx.com.

(c) The applicable trading hours are published on First North’s website.

6.2 Additions to NASDAQ OMX Member Rules regarding trading on First North

6.2.1 First North Bond Market Sweden
NASDAQ OMX Member Rules regarding NASDAQ OMX Stockholm AB, Chapters 2 - 4, and 6.1-6.8, 6.13 and 6.15 and appendices, as amended from time to time shall apply to trading on First North Bond Market.

6.2.2. First North Bond Market Denmark
NASDAQ OMX Member Rules regarding NASDAQ OMX Copenhagen A/S, Chapters 2 - 4, and 6.1 - 6.9, and appendices, as amended from time to time shall apply to trading on First North Bond Market.
7. Sanctions and termination of agreement

This section applies in respect of Issuers with financial instruments traded on First North Bond Market and in respect of Certified Advisers. For members, the NASDAQ OMX Member Rules shall apply also in relation to trading on First North.

7.1 Sanctions against Certified Adviser

(a) If a Certified Adviser fails to comply with the Rules the Exchange may impose the following sanctions:

(i) warning, where the breach is of a less serious nature or is excusable;
(ii) fines in accordance with the relevant provisions in the Supplements; and
(iii) cancellation of the permission to act as a Certified Adviser, where the Certified Adviser has committed a serious breach of the Rules, or if the Certified Adviser through its failure to comply may damage or has damaged public confidence in the Exchange, First North Bond Market or the securities markets.

(b) When determining the amount of a fine pursuant to paragraph (ii) of Rule 7.1(a), the Exchange shall take into consideration the seriousness of the breach and any other relevant circumstances.

(c) The Exchange may publish a decision made pursuant to Rule 7.1(a).

(d) The Exchange may impose the sanctions set out in (a) (i)-(iii) also in situations where a Certified Adviser that has already been granted permission to operate, despite fulfilling all admission requirements, is considered to damage public confidence in the Exchange, First North Bond Market or the securities markets in general.

7.2 Sanctions and other actions in case of non-compliance by an Issuer

7.2.1 Sanctions against Issuers

(a) If an Issuer fails to comply with the Rules the Exchange may impose the following sanctions:

(i) warning, where the breach is of a less serious nature or is excusable;
(ii) fines in accordance with the relevant provisions in the Supplements; and
(iii) the removal of the Issuer’s financial instruments from trading on First North, where the Issuer has committed a serious breach of the Rules, or if the Issuer through its failure to comply may damage or has damaged public confidence in the Exchange, First North Bond Market or the securities markets.

(b) When determining the amount of a fine pursuant to paragraph (ii) of Rule 7.2.1(a), the Exchange shall take into consideration the seriousness of the breach and any other relevant circumstances.
(c) Before the Exchange initiates a process regarding the removal of an Issuer’s financial instruments from trading on First North Bond Market pursuant to paragraph (iii) of Rule 7.2.1(a), the Exchange shall give the Issuer’s instruments Observation Status. For Issuers with Observation Status, Rule 7.2.3 applies.

(d) Sanctions under Paragraph (iii) of Rules 7.2.1(a) should not be imposed if, in the Exchange’s view, such a measure would generally be inappropriate having regard to the interests of investors or the market.

(e) The Exchange shall publish a decision made pursuant to Rule 7.2.1(a).

(f) Additional provisions on sanctions are set out in the supplements.

7.2.2 Administrative decision in respect of Issuers

(a) In the event an Issuer materially no longer meets the applicable admission requirements, an administrative decision may be made to remove the Issuer’s financial instruments from trading on First North.

(b) A decision pursuant to Rule 7.2.2(a) should not be made if, in the Exchange’s view, such a decision would generally be inappropriate having regard to the interests of investors or the market.

(c) Rule 7.2.2(a) covers for example the following situations:

(i) an Issuer is the subject of any insolvency procedure; and
(ii) cases of significant changes in the Issuer, including decisive changes in the ownership structure, the capital base, the Issuer’s activities or management, etc. to such an extent the Issuer appears to be a new Issuer. Removal from trading as a consequence of such material changes may be avoided if the Issuer publishes a Company Description or prospectus, as the case may be, in the same manner as when the Issuer initially applied for admission to trading on First North.

(d) Before the Exchange removes an Issuer’s financial instruments from trading on First North Bond Market in the circumstances set out in paragraphs (i) or (ii) of Rule 7.2.2(c), the Exchange shall give the Issuer’s instruments Observation Status. For instruments with Observation Status, Rule 7.2.3 applies.

(e) Additional provisions on administrative decisions are set out in the Supplements.

7.2.3 Observation Status

(a) The Exchange decides whether an instrument shall be given Observation Status and whether Observation Status should be terminated.

(b) The Exchange may give an instrument Observation Status in the following circumstances:

(i) circumstances justifying the removal of the Issuer’s financial instruments from trading on First North Bond Market pursuant to Rule 7.2.1(a);
(ii) circumstances justifying the removal of the Issuer’s financial instruments from trading on First North Bond Market pursuant to Rule 7.2.2(a);

(iii) the Issuer has applied to have its financial instruments removed from First North;

(iv) the Issuer is the subject of a public offer or a bidder has disclosed its intention to raise a placed bid on the Issuer;

(v) the Issuer has been the subject of a reverse take-over or otherwise plans to make or has been subject to an extensive change in its business or organization so that the Issuer upon an overall assessment appears to be an entirely new Issuer;

(vi) there is a material adverse uncertainty in respect of the Issuer’s financial position; or

(vii) any other circumstance exists that results in substantial uncertainty regarding the Issuer or the pricing of its financial instruments traded on First North.

(c) Unless special circumstances exist (as determined by the Exchange), an instrument shall not retain Observation Status for more than 6 months or, if it has received Observation Status in the circumstances set out in paragraph (i) of Rule 7.2.2(c)(i), for 2 months.

(d) When Observation Status has ceased in respect of an instrument (as determined by the Exchange) the Exchange may remove the Issuer’s financial instruments from trading on First North Bond Market in accordance with Rule 7.2.1(a) or Rule 7.2.2(a) (as the case may be).

7.3 Procedures

(a) A Certified Adviser shall be entitled to issue its comments before any warning, fine or a cancellation of Certified Adviser status is imposed on it.

(b) An Issuer shall be entitled to issue its comments before any warning, fine or removal is imposed on the Issuer.

(c) The procedures for handling warnings and terminations of agreements with Certified Advisers according to Rule 7.1 and sanctions on Issuers according to Rule 7.2 may differ between the Exchanges due to the differences in law, other regulation or differences in the Exchange’s organization.

(d) Additional provisions on procedures are set out in the Supplements.
8. General provisions

8.1 Dispute resolutions
The applicable dispute resolutions are specified in the Supplements.

8.2 Exemptions
The Exchange may in special cases grant exemption from these Rules if such exemption would not damage public confidence in the Exchange, First North Bond Market or the securities market.

8.3 Amendments
(a) The Exchange may, upon 30 day’s written notice, amend these Rules. The amended Rules shall be published on First North’s website.

(b) In special cases, the Exchange may decide that amendments shall come into effect upon shorter notice.
Supplement A – Sweden

In addition to the rules stated in chapter 4, 7 and 8 the following also applies for the First North Bond Market Sweden operated by NASDAQ OMX Stockholm AB.

2.2 Admission Requirements

2.2.1 Requirements for fixed income instruments
  e) The Issuer shall, in the prospectus, the final terms or the Company Description, undertake to provide call prices and, if possible, the selling prices of the instruments to be admitted to trading.
  
f) Only instruments with a total nominal amount of minimum SEK 2 million, or the equivalent amount in foreign currency, may be admitted to trading.
  
g) If the Issuer does not have its shares admitted to trading on NASDAQ OMX, the Issuer shall provide an organization of trustees or any other acceptable representation for the body of debt security holders.

7. Sanctions and termination of agreement

7.2 Sanctions against Issuers
The Exchange may impose the sanctions set out in (a) (i)-(iii) also in situations where an already listed Issuer, despite fulfilling all admission requirements, is considered to damage public confidence in the Exchange, First North Bond Market or the securities markets in general.

7.3 Procedures
The Disciplinary Committee of the Exchange is responsible for decisions to impose a fine on a Certified Adviser or an Issuer; or to remove financial instruments from admission to trading on First North; and to terminate the agreement with a Certified Adviser in accordance with Rule 7.1(a) (iii).

The decision to bring matters before the Disciplinary Committee and to issue warnings will be the responsibility of the Head of Surveillance at the Exchange.

The Head of Surveillance at the Exchange shall make administrative decisions pursuant to this section.

8. General provisions

8.2 Dispute resolution
Any dispute, controversy or claim arising out of or in connection with the Rules, or any breach, termination or invalidity thereof, shall be conclusively settled by arbitration in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be Swedish.
Supplement B – Denmark

In addition to the rules stated in chapter 3 and 7 the following also applies for First North Bond Market Denmark operated by NASDAQ OMX Copenhagen A/S. According to Danish law, Issuers whose financial instruments are traded on First North Bond Market will be subject to special rules and regulations regarding for example reporting obligations for substantial holdings and take-over bids.

2.2 Admission Requirements

2.2.1 Requirements for fixed income instruments
   e) Only instruments with a total nominal amount of minimum DKK 2 million, or the equivalent amount in foreign currency, may be registered.

3. Company Description

3.4 Publication of the Company Description or prospectus

The Company Description/prospectus shall be put on the Issuer’s website not later than two business days prior to the start of the offering or the first day of trading, whichever comes first.

7. Sanctions and termination of agreement

7.3 Procedures

Any decision to terminate the agreement with a Certified Adviser will be made by the CEO of the Exchange.
Appendix A – Application to become Certified Adviser on First North Bond Market

The Entity, _____________________, applies to become Certified Adviser on First North Bond Market in:

Sweden.¹
Denmark.²

The Rules enter into force upon the Entity being approved by the Exchange. The Entity undertakes to comply with the Rules in force at First North Bond Market at any point in time.

### Certified Adviser’s name and address

| NAME:       | _____________________ |
| ADDRESS:    | _____________________ |
| WEBSITE:    | _____________________ |

### Designated Contact Persons

| NAME:       | _____________________ |
| JOB TITLE:  | _____________________ |
| TELEPHONE:  | _____________________ |
| CELLPHONE:  | _____________________ |
| EMAIL:      | _____________________ |

---
¹ Operated by NASDAQ OMX Stockholm AB
² Operated by NASDAQ OMX Copenhagen A/S
TELEPHONE: ____________________________
CELLPHONE: ____________________________
EMAIL: ____________________________
______________________________

Name of the Designated Contact Person together with information (not presented in the CV) that is relevant for the fit and proper assessment

____________________________________________________

City: ____________________________ Date: ____________________________

Authorized Signatory (Certified Adviser)

Please enclose the following:
- Annual report
- Articles of Association
- Certificate of Incorporation
- CV of Designated Contact persons
- Document regarding internal trading rules
- Description of the organization and routines established to eliminate conflicts of interests, including an organizational chart
- Appendix F – Acceptance form for the use of personal data
- Billing form
Appendix B – Application for admission to trading on First North Bond Market

The Issuer __________________, has applied that its fixed income instruments to be traded on First North Bond Market in:

Sweden.¹ /Denmark²

The Rules enter into force upon the Issuer being approved by the Exchange. The Issuer undertakes to comply with the Rules in force at First North Bond Market at any point in time.

Name and address of Issuer

| NAME: | ______________________ |
| ADDRESS: | ______________________ |
| TELEPHONE: | ______________________ |
| WEBSITE: | ______________________ |
| | ______________________ |

Contact persons at the Issuer in connection with the admission to trading

| NAME: | ______________________ |
| JOB TITLE: | ______________________ |
| TELEPHONE: | ______________________ |
| E-MAIL: | ______________________ |
| | ______________________ |

Name of the Certified Adviser:

_____________________

Designated Contact Person

| NAME: | ______________________ |
| JOB TITLE: | ______________________ |

Designated Contact Person

| NAME: | ______________________ |
| JOB TITLE: | ______________________ |

¹ Operated by NASDAQ OMX Stockholm AB
² Operated by NASDAQ OMX Copenhagen A/S
The Issuer’s Certified Adviser hereby confirms that the Issuer satisfies the requirements for being traded and that the Issuer’s Board of Directors and senior executives are adjudged as suitable for managing an Issuer that is traded on First North.

**Liquidity provider(s), if applicable**

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City: __________________ Date: __________________

__________________________
Authorized Signatory (Issuer)

__________________________
Signature (Certified Adviser responsible for reviewing the Issuer)

**Please enclose the following:**

- Prospectus/Company Description including check-list (available on First North website)
- Terms and conditions (finalized version)
- Copy of written agreement with a Certified Adviser
- Articles of Association
- Certificate of Incorporation
- Appendix D – Information regarding new or changes in contacts (where applicable)
- Billing form
Appendix C – Information that shall be included in the agreement between the Certified Adviser and the Issuer

The agreement between the Certified Adviser and the Issuer shall, as a minimum, contain the following information:

“[Certified Adviser] and [The Issuer] have agreed that the Certified Adviser shall fulfil all the responsibilities of Certified Adviser vis-à-vis the Issuer as set forth in the First North Bond Market Rules (the Rules). In conjunction therewith, the Issuer agrees that it will perform its obligations as set forth in the First North Bond Market Rules and its obligations vis-à-vis the Certified Adviser as set forth in this agreement.

Obligations
The Issuer shall:

a) fully cooperate with the Certified Adviser in the fulfilment of its responsibilities as set forth in the Rules;

b) inform the Certified Adviser about the Issuer and its business and also provide all information to enable the Certified Adviser to fulfil its responsibilities as set forth in the Rules;

c) comply with the most recent applicable version of the rules as published on First North’s website.
Appendix D – Information regarding new or changed designated contact persons

Certified Adviser: ______________________________________________________
Applicable commencing: _____________________________________________

New or changed designated contact persons at the Certified Adviser
The persons listed below means employees at the Certified Adviser who are responsible for the Issuers to which the firm is attached as Certified Adviser. At least one such person shall at all times be available during normal trading hours to answer any queries from the Exchange throughout the duration of the agreement. The names of such persons shall be available on First North’s website. Please note that at least two persons shall be included.

Name: __________________________________________
E-mail: _________________________________________
Telephone number: ________________________________
Cell phone number: _______________________________

Name: __________________________________________
E-mail: _________________________________________
Telephone number: ________________________________
Cell phone number: _______________________________

Place: ___________________ Date: ___________________

____________________________________________________
Signature (Certified Adviser)
Appendix E – Information to be included in the Prospectus or Company Description

The following information shall be included in the Company Description, cf. 3.3:

**The liability statement of the Board of Directors**
We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors’ records and other internal documents is included in the Company Description.

The following information shall be put on the first page of the Company Description or the Prospectus, cf. 3.2. and 3.5:

**First North Disclaimer**
“First North Bond Market is an alternative marketplace operated by an exchange within the NASDAQ OMX group. Issuers on First North Bond Market are not subject to the same rules as Issuers on the regulated main market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an Issuer on First North Bond Market may therefore be higher than investing in an Issuer on the main market. At least during the listing process all Issuers with financial instruments traded on First North Bond Market have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.”
Appendix F – Acceptance form for the use of personal data

Date:

I accept that NASDAQ OMX or a company within that group (NASDAQ OMX), use my personal details in accordance with the text below.

Personal data that is sent to NASDAQ OMX will be used for information and contact purpose in conjunction with the First North Bond Markets. This includes that the information is made public on our website and in other official documents. If the person wishes to receive information on the personal data relating to him/her which is held by NASDAQ OMX the requests for information or corrections shall be sent to the following address: NASDAQ OMX AB 105 78 Stockholm.

Personal data means any information on a private individual and any information on his/her personal characteristics or personal circumstances where these are identifiable as concerning him/her or the members of his/her family or household

_____________________________________________________
Signatory (Person(s) with the function as Certified Adviser)