



**APPROVED:**

At the meeting of the Management Board of AB Nasdaq Vilnius  
12 December 2018, Minutes No 18-60

**AMENDED**

At the meeting of the Management Board of AB Nasdaq Vilnius  
31 March 2020, Minutes No 20-91

**RULES OF THE *FIRST NORTH* IN LITHUANIA**

**NOTE:**

Only the Lithuanian version of these Rules shall be legally binding.

This translation is done for information purposes solely.

Every effort has been made to ensure accuracy of this publication.

**However, AB Nasdaq Vilnius does not assume any responsibility for any errors or omissions.**

## I. GENERAL PROVISIONS

### 1. Scope of application:

1.1. The “Rules of the First North in Lithuania” of multilateral trading facility (hereinafter **the alternative market *First North in Lithuania* or the *First North market***) administered by the regulated market operator AB Nasdaq Vilnius (hereinafter **the Rules**) shall lay down the following:

1.1.1. The conditions, procedure and deadlines for admitting the issuer’s transferable securities to trading on the *First North* market;

1.1.2. The requirements for transferable securities, the admission of which to trading on the *First North* market is sought or which are already traded on the *First North* market;

1.1.3. The requirements for the issuer and Certified Advisers;

1.1.4. The requirements for market participants wishing to become members of the *First North* market;

1.1.5. The procedure of trading in transferable securities on the *First North* market;

1.1.6. The grounds and conditions of settlement related to trading in transferable securities on the *First North* market;

1.1.7. The procedure of suspension and termination of trading in transferable securities on the *First North* market;

1.1.8. Supervision and liability;

1.1.9. Other provisions connected with the assurance of the fair and smooth trading in the issuer’s transferable securities admitted to trading on the *First North* market.

1.2. Legal grounds of these Rules: Article 22 of the Law on Markets in Financial Instruments of the Republic of Lithuania. The Rules shall be drafted and approved by AB Nasdaq Vilnius (hereinafter **Nasdaq Vilnius**); Nasdaq Vilnius shall, according to legal acts of the Republic of Lithuania, supervise the adherence to the Rules. The structure and main requirements of these Rules, to the maximum extent possible, have been harmonised with the requirements of the Baltic stock exchanges and other Nasdaq stock exchanges.

1.3. Nasdaq Vilnius shall have the right to amend and/or supplement the provisions of these Rules at its own discretion. The Rules and any amendments and/or supplements hereto shall become effective after their publication on the website of Nasdaq Vilnius, except in cases where a different effective date is set.

1.4. Nasdaq Vilnius, to ensure that these Rules be appropriately implemented and that their provisions be applied and interpreted equally, shall have the right to issue decisions, instructions, recommendations and/or explanations.

### 2. The following terms shall be used in the Rules:

2.1. The following terms shall be used in these Rules:

2.1.1. **The Baltic exchanges** shall mean Nasdaq Vilnius, Nasdaq Tallinn and Nasdaq Riga stock exchanges (hereinafter may also be referred to as **the Baltic Exchange**).

2.1.2. **The issuer:**

2.1.2.1. A joint stock company or other legal entity incorporated in the Republic of Lithuania whose financial instruments, according to the procedure prescribed by legal acts, may be admitted to trading on the *First North* market and which presents an application for admission of its transferable securities to trading on the *First North* market or whose transferable securities are traded on the *First North* market; or

2.1.2.2. A legal entity incorporated in a foreign country whose securities, according to the procedure prescribed by legal acts, may be admitted to trading on the *First North* Market and which presents an application for admission of its transferable securities to trading on the *First North* market or whose transferable securities are traded on the *First North* market.

2.1.3. The ***First North* market or the alternative market *First North in Lithuania*** shall mean the multilateral trading system not having the regulated market status and administered by Nasdaq

Vilnius, as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania and other legal acts.

2.1.4. **Transferable securities of the Company** shall mean the issuer's transferable securities, the admission of which to trading on the *First North* market is sought or which are traded on the *First North* market.

2.1.5. **Inside information** – as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (hereinafter **the Market Abuse Regulation**).

2.1.6. **The Market Abuse Regulation** shall mean Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

2.1.7. **Information disclosure system** shall mean electronic systems consisting of hardware, software and communications equipment and intended, according to the procedure prescribed by legal acts, for the publishing of information about issuers and the financial instruments issued by them and for the publishing of decisions adopted by Nasdaq Vilnius and other information connected with trade in financial instruments.

2.1.8. **Admission to trading** shall mean the admission of transferable securities to trading on the *First North* market and the trading in them in the Nasdaq Vilnius trading system.

2.1.9. **Additional admission to trading** shall mean the admission to trading of newly issued transferable securities of the same type and class as the securities admitted to trading on the *First North* market (whereby the newly issued securities are added to the listed issue).

2.1.10. **Transferable securities** – as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania.

2.1.11. **Prospectus** – as defined in the Law on Securities of the Republic of Lithuania.

2.1.12. **Trading system** shall mean the electronic system consisting of hardware, software and communications equipment and intended for trading in financial instruments.

2.1.13. **Certified Adviser** shall mean a legal entity, which satisfies the requirements of these Rules and which concludes an agreement with Nasdaq Vilnius, under which it agrees to adhere to these Rules and to perform the functions of a Certified Adviser on the *First North* market, including (but not limited to) companies providing financial services, audit companies and companies providing legal services. The status of a Certified Adviser may also be granted to law firms.

2.1.14. **The Bank of Lithuania** shall mean the financial market supervisory authority of the Republic of Lithuania.

2.2. All the other terms used in these Rules shall have the meanings envisaged for them in the Market Abuse Regulation, the Law on Markets in Financial Instruments of the Republic of Lithuania, the Law on Securities of the Republic of Lithuania, other legal acts, AB Nasdaq Vilnius Listing Rules and/or Nasdaq Baltic Membership Rules.

## II. ADMISSION REQUIREMENTS

### 3. Requirements for the Issuers

3.1. These Rules shall apply to an issuer that has submitted an application for admission of its transferable securities to trading on the *First North* market or whose transferable securities are traded on the *First North* market. A company deemed an issuer pursuant to the Law on Securities of the Republic of Lithuania shall be subject to provisions of these Rules, the Law on Markets in Financial Instruments of the Republic of Lithuania and the Law on Securities of the Republic of Lithuania.

3.2. The issuer has to be established in accordance with applicable laws and act pursuant to its Articles of Association, drawn up in compliance with legal acts regulating its activities.

3.3. The issuer's economic and legal status shall not jeopardize interests of the investors.

3.4. The issuer shall comply with these Rules and information disclosure requirements as specified in these Rules.

3.5. On the day the issuer submits the application for admission to trading, it must have an agreement concluded with a Certified Adviser, unless it has shares traded on EU or EEA regulated market. Requirements for Certified Advisers are specified under Chapter IV of these Rules. If the Nasdaq Vilnius terminates the agreement with an issuer's Certified Adviser, the issuer concerned shall conclude a new agreement with another Certified Adviser within two (2) months. In case the issuer applies for admission of debt securities to trading, the issuer shall conclude an agreement with Certified Adviser covering at least the Application period until the first day of trading. The issuer and Certified Adviser may decide to continue the agreement after admission to trading. Issuers whose shares are already listed or admitted to trading on regulated market or admitted to trading on other First North markets are exempted from this requirement.

#### **4. Requirements for transferable securities, for which admission to trading is sought**

4.1. Transferable securities of all types may be admitted to trading on the First North market if they comply with provisions of effective legal acts and these Rules as well as provisions of those Nasdaq Vilnius Listing Rules and Nasdaq Baltic Membership Rules that are applicable to the extent that different procedure is not set forth herein.

4.2. Transferable securities submitted for admission to trading on the First North market shall be issued in accordance with the applicable legislation and provisions of the Articles of Association of the issuer.

4.3. Only dematerialised transferable securities may be submitted for admission to trading.

4.4. The application for admission to trading shall cover all outstanding transferable securities of the same type and class.

4.5. No quantity requirements or restrictions shall apply to transferable securities for their admission to trading.

4.6. Transferable securities, the admission of which to trading is sought, must be included in accounting according to the requirements set by laws and other legal acts of the Republic of Lithuania in the central securities depository Nasdaq CSD SE or in the respective central securities depository of another member state, which shall be licensed and operate according to the requirements of Regulation (EU) No 909/2014 and which, in the opinion of Nasdaq Vilnius, ensures the appropriate settlement and fulfilment of other obligations connected with trading in financial instruments (hereinafter the CSD).

4.7. Transferable securities submitted for admission to trading shall be freely negotiable, entitling equal rights to their holders and have no restrictions as to their transferability or pledging imposed by the issuer's Articles of Association.

4.8. If, as a result of a new issue, transferable securities of the same class and type as those already admitted to trading are issued, the issuer must apply for their admission to trading in accordance with the provisions of these Rules (unless the newly issued transferable securities of the same class and type are assimilated with the existing issue of transferable securities). The issuer must submit this application without delay, as soon as no restriction rights remain effective on transferability of the securities (they become freely negotiable), they entitle their holders to equal rights and are fully paid up.

4.9. Nasdaq Vilnius may consider transferable securities as freely negotiable, if there is no contradiction with the laws of the Republic of Lithuania and if necessary steps were taken to ensure free and unrestricted circulation of such transferable securities, trading in them is effected openly and fairly, with investors having access to all relevant information.

4.10. Transferable securities admitted to trading shall be grouped by type and class.

### **III. ADMISSION TO TRADING**

#### **5. Procedure of admission to trading**

5.1. The purpose of the admission to trading procedure (hereinafter – the admission procedure) is to determine whether the transferable securities of the issuer concerned comply with the requirements of the First North market.

5.2. A decision concerning admission (or refusal to admit) of an issuer's transferable securities to trading on the First North market shall be passed by the Nasdaq Vilnius Board.

5.3. The admission procedure begins from the moment an issuer submits an application for admission of its transferable securities to trading.

5.4. The Nasdaq Vilnius shall be entitled to disclose the beginning of the admission procedure through the information disclosure system.

5.5. The admission procedure shall be deemed completed when:

5.5.1. decision to admit the issuer's transferable securities to trading is passed, or

5.5.2. decision to refuse admission of the issuer's transferable securities to trading is passed; or

5.5.3. the issuer withdraws its application; or

5.5.4. the application is rejected under clause 8.2 of these Rules.

## **6. Submission of the application**

6.1. An issuer willing to apply for admission of its transferable securities to trading shall submit the following documents to Nasdaq Vilnius:

6.1.1. an application for admission of transferable securities to trading. The application shall be completed on a model form approved by Nasdaq Vilnius Board;

6.1.2. a certified copy of the issuer's registration certificate or a similar document which certifies the legal status of the issuer (the fact of registration);

6.1.3. a copy of the Articles of Association;

6.1.4. a copy of the resolution of the issuer's competent body on applying for admission to trading (extract from the minutes of the meeting);

6.1.5. the Prospectus. When the duty to publish the Prospectus does not apply, then an information document drafted pursuant to Article 78 of the Law on Companies of the Republic of Lithuania shall be presented. When the duty to publish the Prospectus or the information document does not apply, then the Company Description, the content of which is described in clause 7.2 of the Rules, or the Securities Note in case other financial instruments of a company, which wishes to have its debt securities admitted to trading on the *First North* market, are already admitted to trading on a regulated market operating in the European Union, on an equivalent market operating in the European Economic Area, other *First North* market or other equivalent market, shall be presented. The Securities Note shall contain the information described in clause 7.2.4 of these Rules, if the information described in clause 7.2 of the Rules is publicly accessible and the Securities Note contains references to the said information;

6.1.6. a document, certifying that the prospectus specified in clause 6.1.5 was approved by the competent authority.

6.1.7. a confirmation in writing that the issuer will comply with the requirements set forth in these Rules;

6.1.8. an agreement with a Certified Adviser or an extract from the agreement where obligations of the issuer and the Certified Adviser are disclosed.

6.1.9. audited annual reports for at least two years in accordance with the accounting laws applicable to the issuer in its home state;

6.2. The issuer's annual information referred to in clause 6.1.9 of these Rules shall comprise the audited annual set of financial reports of an entity, the management report and the statement by the responsible persons within the issuer, to the effect that, to the best of their knowledge, the financial statements were prepared in accordance with the applicable set of accounting standards, they give a true and fair view of the issuer's assets, liabilities, financial position, profit or loss, and that the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of principle risks and uncertainties that it faces. The annual information shall be supported with the independent auditor's report. In the event annual consolidated financial statements are drawn up, they shall be submitted together with the financial statements of the parent company.

6.3. An issuer established in the Republic of Lithuania or in another member state must draw up its audited annual set of financial reports of an entity and interim set of financial reports of an entity

in accordance with the national legal acts or the International Accounting Standards. An issuer established not in a member state shall draw up the audited annual set of financial reports of an entity and interim set of financial reports of an entity in accordance with the national legal acts or the International Accounting Standards.

6.4. Issuers of debt securities with nominal value per unit of 100.000 EUR or greater or an equivalent amount in another currency is exempted from the requirement in clause 6.1.9.

6.5. Issuers of debt securities which are fully guaranteed and where the guarantor has published financial reports for at least two years in accordance with the accounting laws applicable in the guarantor's home state is exempted from the requirement in clause 6.1.9 provided that financial reports are publicly available and referred to in the Application.

6.6. Considering the specific circumstances, Nasdaq Vilnius Board has the right to make exemptions and decide that the submission of some of the documents listed in clause 6.1. are not necessary for making an Admission Decision.

6.7. Documents specified in clauses 6.1.2 - 6.1.9 of the Rules shall not be repeatedly submitted to Nasdaq Vilnius, where an application for admission of the issuer's transferable securities to trading has been filed under clause 4.8 of the Rules and the documents required have already been submitted to Nasdaq Vilnius, unless the information therein has changed.

6.8. Issuer, whose shares are traded on EU or EEA regulated market, is not required to submit documents stipulated in clauses 6.1.2.-6.1.3. and 6.1.5.-6.1.9. provided that the document containing relevant information is submitted beforehand or made publicly available.

## **7. The Company Description**

7.1. The Company Description shall be prepared in cooperation with the Certified Adviser and approved by it.

7.2. The Company Description shall provide the following information:

7.2.1. 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 of transferable securities including the intended use of received revenue (intended use of proceeds);

7.2.2 A description of the ownership structure exceeding 5% threshold (name of shareholders that hold 5% or more of the Issuers voting rights), and any shareholdings, direct or indirect, (i.e. through controlled and connected persons) in the Issuer held by the Members of Management or Supervisory Boards of the Issuer and Certified Adviser;

7.2.3. information on the Certified Adviser, providing the company's name and identification code and the expected duration of the agreement with the Certified Adviser;

7.2.4. all and any information connected with the transferable securities to be admitted to trading, including the class and type of the transferable securities, the currency of the issue, the total volume of the issue, the rights attaching to the transferable securities, the procedure of their transferability set forth in the Issuer's Articles of Association, total authorised capital, the procedure of offering and subscription for the transferable securities and any other information about the issue required for admission of transferable securities to trading.

In case debt securities are applied for admission to trading, the following additional information should be provided:

1) information about arranger/issue organizer and paying agent, nominal value and number of instruments, sale/initial price. Interest rate (calculation principles in case of variable rate), interest rate payment frequency, interest calculation principles, maturity date, redemption terms (incl. early redemption, put or call options), redemption price, information about guarantee and guarantor, investor rights if issuer breaches obligations deriving from issuing bonds, description about assets backing the debt securities.

2) information about most significant risk factors, the reasons for the decision to apply for admission to trading and the intended use of proceeds.

7.2.5. any material information on any ongoing legal proceedings or legal proceedings in previous reporting periods against the issuer, petitions of insolvency, instituted bankruptcy proceedings, as

well as any legal proceedings in connection with fraud or other economic violations, in which members of the issuer's management bodies or the Supervisory Board or other persons connected with the issuer were involved;

7.2.6. description of the issuer's transaction with related parties. For the purposes of this clause, related parties shall be understood as they are defined in the International Accounting Standard 24;

7.2.7. description of any share-based incentive programmes, including, but not limited to, bonuses, stock options and their value in monetary terms;

7.2.8. description of significant contracts, patents and other documents. For the purposes of these Rules, a contract, patent or other documents shall be deemed significant if their monetary value accounts for 10% or more of the issuer's equity capital;

7.2.9. The issuer must disclose well-grounded information on its future activities. If the issuer decides to disclose projected performance in the next reporting period, it shall disclose the main assumptions thereof and submit the Audit Report, certifying that, in the auditors' opinion, the projections have been properly made on the basis of the assumptions provided therein and that the accounting principles used for making the projections are in conformity with the issuer's accounting policy. The projection of the financial results must be drawn up following the principle of comparability with historical information;

7.2.10. Other material information which, in one way or other, may affect the investor's decision to buy or sell the issuer's transferable securities or their price;

7.3. The issuer's Management Board (the Head, if the Management Board is not formed) is responsible for the drawing up of the Company Description. The Company Description shall be supported with the statement by the responsible persons of the issuer, to the effect that, to the best of their knowledge, the information contained in the Company Description is accurate, it gives a true and fair view of the issuer, including, but not limited to, its assets, liabilities, financial position and no material information is omitted. The responsible persons shall be clearly indicated, disclosing the name, surname and position taken by the natural person and the name and registered office of the legal entity. The same is applicable to the Securities Note.

## **8. Decision concerning application to admit to trading**

8.1. Nasdaq Vilnius Board shall make a decision concerning the admission of transferable securities to trading or refusal to admit them to trading within three (3) months days after the start of the Admission Procedure. If Nasdaq Vilnius requires from the issuer or Certified Adviser submission of supplementary information or documents in the course of the Admission Procedure, Nasdaq Vilnius Board shall make the Admission Decision within three (3) months after all the required information and documents are received.

8.2. If the issuer fails to disclose the supplementary information or documents required by Nasdaq Vilnius within the terms specified in clause 8.1. and due to that Nasdaq Vilnius Board fails to make a decision within the term referred to in clause 8.1., the application for admission of transferable securities to trading shall be considered rejected.

8.3. Unless Nasdaq Vilnius Board decides otherwise, the first trading day of the transferable securities admitted to trading shall be the sixth (6th) working day after the Admission Decision has been made.

8.4. Nasdaq Vilnius Board shall be entitled to refuse admission of an issuer's transferable securities to trading, if:

8.4.1. before filing an application for admission of its transferable securities to trading or during the processing thereof a decision is made to liquidate the issuer; or

8.4.2. the court has declared bankruptcy or a bankruptcy petition has been filed or a meeting of creditors decides to petition for an extra judicial bankruptcy procedure; or

8.4.3. the issuer is or was insolvent; or

8.4.4. the issuer's financial position, market position, client structure, growth potential, field of operation, economic activities, management, reputation, future plans and other significant matters, in the opinion of Nasdaq Vilnius Board, would jeopardize interests of investors or damage the reputation of the First North market;

8.5. Where a new issue of transferable securities of the same type and class as those already admitted to trading on the First North market is made, Nasdaq Vilnius Board, acting in accordance with clause 8.4 of these Rules, may adopt a decision to refuse to admit the issuer's new transferable securities to trading or cancel trading in all transferable securities of the same type and class of the issuer.

## **9. Publication of the Prospectus or the Company Description**

9.1. After Nasdaq Vilnius Board has made the decision to admit the issuer's transferable securities to trading, Nasdaq Vilnius shall, no later than before the first trading day in the transferable securities concerned (unless legal acts prescribe other terms of disclosure), disclose the following information through the information system:

9.1.1. the decision to admit the issuer's transferable securities to trading;

9.1.2. the Prospectus or the Information document or the Company Description supported with the annual and/or interim information.

9.2. The issuer, having submitted the application for admission of its transferable securities to trading, shall undertake to notify Nasdaq Vilnius immediately of any changes in the circumstances that may occur during the process of the admission procedure or the processing of the application, if such circumstances may have an effect on the price of the issuer's transferable securities and/ or investment decisions of investors.

9.3. Nasdaq Vilnius shall be immediately notified in writing of any change in the circumstances that may occur during the period between the disclosure of the Prospectus (the Information Document or the Company Description) and the admission of the transferable securities to trading, if such circumstances may have an effect on the price of the issued transferable securities and/or investment decisions of investors.

9.4. Nasdaq Vilnius shall, having received the information required under clauses 9.2 and 9.3, immediately disclose it through the information system.

## **10. Agreement on admission of transferable securities to trading**

Within five (5) working days (inclusive) after the decision to admit the issuer's transferable securities to trading is made, the issuer must conclude a written agreement with Nasdaq for admission of transferable securities to trading, which shall set forth the obligation of the issuer to comply with the provisions of these Rules. Nasdaq Vilnius may not start trading in the issuer's transferable securities, unless the agreement has been signed.

## **11. Disclosure of the Decision of Admission or Refusal to Admit Transferable Securities to Trading**

11.1. A notice about the decision of Nasdaq Vilnius Board regarding admission or refusal to admit an issuer's transferable securities to trading shall be immediately sent to the issuer and the Bank of Lithuania. Nasdaq Vilnius shall be entitled to make its decision public through the information system.

11.2. If Nasdaq Vilnius Board has refused to admit the issuer's transferable securities to trading, the written notice about the decision shall also include the reasons thereof.

## **12. Appeal against the decision of admission or refusal to admit transferable securities to trading**

12.1. If the issuer does not agree with the decision of Nasdaq Vilnius Board or if Nasdaq Vilnius Board fails to make a decision during the term provided in clause 8.1., the issuer shall be entitled to lodge an appeal in writing against the decision of Nasdaq Vilnius Board within fifteen (15) days as from the day the decision is made or upon expiry of the term for making the decision provided in clause 8.1. of these Rules with a motivated request to reconsider the decision or make the decision if it was not made.

12.2. Nasdaq Vilnius Board, having reviewed the appeal, may take one of the following decisions:

12.2.1. satisfy the appeal and change the previous decision;

12.2.2. satisfy the appeal and make a decision, if it was not made during the term provided in clause 8.1.;



12.2.3. reject the appeal and leave the decision of rejection of the issuer's application for admission of its transferable securities to trading effective.

12.3. If, following examination of an appeal, the issuer does not agree with the decision of the Board of Nasdaq Vilnius, then each and every dispute arising due to or in connection with such decision shall be finally settled by arbitration at Vilnius Court of Commercial Arbitration according to the applicable arbitration regulation.

#### **IV. CERTIFIED ADVISER**

##### **13. Requirements for a Certified Adviser and information to be provided**

13.1. The requirements set forth in this section constitute requirements for a Certified Adviser on the First North market. In addition to those established hereunder, a Certified Adviser may be subject to additional obligations set forth in the jurisdiction of other states in which it operates.

13.2. The status of a Certified Adviser may be granted to a legal entity established in the Republic of Lithuania or another member and (or) EEA state that meets the requirements of clause 13.3 of these Rules and has concluded an agreement with Nasdaq Vilnius. For the purposes of these Rules the signed application form (set forth in 13.4) together with an approval of the Exchange (set forth in 13.5) will be deemed as the agreement.

13.3. In order to be granted the status of Certified Adviser on First North, applicants must comply to the following minimum requirements:

13.3.1. have no fewer than two (2) employees, suitable for the envisaged activity of a Certified Adviser and possessing proven experience in providing consultancy services regarding the capital structure and operation strategy of companies, acquisitions and sales of companies or related consultancy services (hereinafter – Contact persons).

13.3.2. be able to document at least two (2) years' experience in providing consultancy services regarding companies' capital structure, strategy, acquisitions and sale of companies, provision of investment or related services and having knowledge about the Baltic financial markets and its regulations.

13.3.3. attend a seminar conducted by the Baltic Exchange regarding these Rules and other requirements specified by Exchange.

13.3.4. have approved internal rules regarding the procedure whereby the Certified Adviser and its employees perform transactions with financial instruments of the issuers for which the company acts as a Certified Adviser. Such rules shall prescribe that employees who are directly involved in the function as Certified Adviser to a company may not trade in the financial instruments of that issuer.

13.3.5. have rules, routines and procedures in place, in order to prevent the unlawful use of confidential information and detect and manage situations that may be detrimental to the functioning of the First North market, as well as prevent conflicts of interest, especially in such cases where conflicts of interest may be detrimental to the functioning of the First North market.

For the purposes of this section of the Rules, a conflict of interest is understood as, including, but not limited to, a situation when a Certified Adviser has a material financial interest, while performing its functions, in the issuer or its transferable securities, it may derive financial gain or escape financial losses at the expense of the issuer or is interested in the result of the services rendered in a different way than it is beneficial for the issuer.

13.3.6. Have internal procedures in place regarding documentation and storage of information (documents) obtained in relation to the function of a Certified Adviser.

13.3.7. The Certified Adviser's management bodies, the supervisory board, Contact persons and any other representatives of Certified Adviser which are related to the provision of the Certified Advisers services shall have an impeccable reputation and shall notably not be convicted of an intentional offence or economic offence or subject to any limitation on the operating authorisation.

13.3.8. Confirm in writing that the Certified Adviser's management bodies, the supervisory board and Contact persons have an impeccable reputation as set forth in clause 13.3.7.

13.3.9 Confirm in writing that the Certified Adviser's will comply with the requirements set forth in these Rules and fulfil the tasks of a Certified Adviser as set forth herein in good faith, adhere to the principles of good practices of the securities market, legality, fairness, transparency and irreproachableness in business.

13.3.10. A Certified Adviser may not own more than 10% of the authorized capital or votes at the general shareholders' meeting of the issuer to which it serves as a Certified Adviser.

13.3.11. The Certified Adviser's employees or persons representing it may not be members of the Management Board or the Supervisory Board of the issuer it acts as a Certified Adviser to.

13.4. An applicant, willing to act as a Certified Adviser, shall file with Nasdaq Vilnius a completed form and annexes thereto. The application shall be of a model form set forth by Nasdaq Vilnius.

13.5. Having assessed the submitted application and annexes thereto, Nasdaq Vilnius Board shall, within fifteen (15) business days from the day the application and documents are received, make a decision regarding granting the status of a Certified Adviser to the applicant.

13.6. The list of Certified Advisers shall be disclosed on the website of Nasdaq Vilnius.

#### **14. Obligations of a Certified Adviser**

14.1. A Certified Adviser undertakes to co-operate with Nasdaq Vilnius and ensure the issuer's proper and timely compliance with these Rules, including, but not limited to, the issuer's obligation to disclose information as prescribed by these Rules and other legal acts, in order to ensure the quality and transparency of trading in the issuer's transferable securities in accordance with the requirements of the First North market.

14.2. A Certified Adviser shall assist the issuer in drawing up the application for admission of its transferable securities to trading and ensure that the documents filed by the issuer and its activities comply with the requirements of these Rules.

14.3. A Certified Adviser shall, at the request of Nasdaq Vilnius, immediately disclose information about its activities as a Certified Adviser, inter alia, the information about its relationship with the issuer, including, but not limited to, the portion of the authorized capital or votes held at the issuer's general shareholders' meeting.

14.4. A Certified Adviser shall have internal rules and procedures in place for proper and law compliant treatment of the information received and eliminate any conflicts of interest, where such exist.

14.5. A Certified Adviser shall ensure that no confidential or other private information on the issuer is disclosed, unless the disclosure of such information is required by law, and shall have internal rules, routines and procedures in place for safeguarding and proper use of confidential information.

14.6. A Certified Adviser shall follow any amendments and supplements hereto, inform the issuers thereof and ensure the issuer's compliance with them.

14.7. A Certified Adviser shall be obliged to perform at least the following functions:

14.7.1. cooperate with the issuer on a regular basis, in order to have the issuer and its transferable securities in full compliance with these Rules when applying for admission to trading and later, when trading in its transferable securities takes place;

14.7.2. ensure that the issuer has signed a written agreement concerning admission of its transferable securities to trading, thus confirming its undertaking to comply with the requirements of these Rules;

14.7.3. ensure that the Company Description or Prospectus (public offer prospectus) as well as other documents to be submitted in the course of the Admission Procedure are prepared in accordance with these Rules. The Certified Adviser must approve the Company Description;

14.7.4. to control the issuer on a regular basis in order to ensure that the Issuer and its financial instruments throughout the period of listing thereof on the Alternative Market conform to the requirements specified herein;

14.7.5. adequately monitor the issuer's compliance with the disclosure requirements set forth in these Rules and assist it in continuing compliance therewith;

14.7.6. contact the Exchange immediately, in the event the issuer is in violation of these Rules and, if appropriate, demand the issuer to give explanations, which have to be forwarded to Nasdaq Vilnius;

14.4.7. have at least one designated employee as a contact person to answer any queries from the Nasdaq Vilnius or submit any requested documents, if necessary;

14.7.8. to document and safely keep all and any information relating to its operation in the status of a Certified Adviser.

14.8. The Certified Adviser shall disclose the information in accordance with the requirements of clauses 16.1-16.3 of these Rules.

#### **15. Agreement between the Certified Adviser and the Issuer**

15.1. The Certified Adviser and the issuer to be served shall sign an agreement.

15.2. The agreement shall clearly define rights and obligations of the issuer and the Certified Adviser; however, they will be subject, inter alia, to the provisions of these Rules.

15.3. A Certified Adviser must, before terminating an agreement set forth in clause 15.1, notify the issuer at least six (6) months before the planned termination of the agreement. The issuer and the Certified Adviser shall immediately notify Nasdaq Vilnius about the termination of the agreement. If the agreement is violated and the termination results from said violation, one party's notice to the other party about the violation shall be simultaneously forwarded to Nasdaq Vilnius.

#### **16. Information to be disclosed by the Certified Adviser to the Nasdaq Vilnius**

16.1. The Certified Adviser must, no later than before the day the transferable securities of a particular issuer are admitted to trading, disclose to Nasdaq Vilnius what portion of the authorized capital or votes it or its group holds in the issuer concerned. Later the Certified Adviser shall notify Nasdaq Vilnius what portion of the authorized capital or votes it or its group holds in the issuers it renders services of a Certified Adviser to only in case the ownership has changed. The initial statement of ownership shall be submitted to the Nasdaq Vilnius not later than a day before the securities of the issuer will be admitted to trading.

For the purposes of this clause, a Certified Adviser's group shall mean a Certified Adviser's subsidiary and/or parent company and/or a subsidiary of the parent company.

16.2. A Certified Adviser shall inform Nasdaq Vilnius immediately of any:

16.2.1. Change that affects the Certified Adviser's possibility to perform its function, including any disciplinary proceeding, refused a registration, authorisation, membership or any other activity;

16.2.2. Change of the Certified Adviser's management bodies, the supervisory board, and other representatives of Certified Adviser which are involved to the provision of the a Certified Advisers services or Contact persons;

16.2.3. Circumstances that might give rise to concern regarding the independence of the Certified Adviser or any conflict of interest vis-à-vis the Issuer, or non-compliance with the Rules;

16.2.4. Changes that might jeopardize fulfilment of the functions of a Certified Adviser;

16.2.5. Material information on any ongoing pre-trial investigations or any legal proceedings against the Certified Adviser, petitions of insolvency, instituted bankruptcy proceedings, as well as any legal proceedings in connection with fraud or other economic or legal violations, in which members of the Certified Adviser's management bodies or the supervisory board or Contact persona with the Certified Adviser were and (or) are involved.

16.3. A Certified Adviser shall notify Nasdaq Vilnius immediately of any circumstances that might necessitate a suspension of trading in the issuer's transferable securities.

#### **17. Supervision of a Certified Adviser**

17.1. A Certified Adviser shall ensure safe documentation and storage of all information relating to its function as a Certified Adviser.

17.2. Nasdaq Vilnius shall monitor the activities of a Certified Adviser, in order to ensure its full compliance with these Rules. Nasdaq Vilnius is entitled to require that a Certified Adviser submit information and documents relevant to its activities and undertakings as a Certified Adviser, as well as other information necessary for fulfilment of the supervisory function.

A Certified Adviser, upon request, shall immediately submit to Nasdaq Vilnius the information and documents that the Nasdaq Vilnius deems necessary in order to assess the Certified Adviser and also relevant permission from the issuer.

17.3. The Nasdaq Vilnius cannot disclose any information it has obtained through its supervisory function to any unauthorized persons, except for the cases provided for by law.

## **V. DISCLOSURE**

### **18. Ways of disclosure**

18.1. Unless these Rules provide otherwise, information shall be deemed disclosed to Nasdaq Vilnius when it is released through the information disclosure system and placed on the website of Nasdaq Vilnius. Where, due to technical failures, it is impossible to provide information through the information disclosure system, the Company must send the respective information by fax or e-mail to Nasdaq Vilnius (the documents sent must be verified with the signature of the head of administration of the Company or by an employee empowered by the head of administration). In this case, Nasdaq Vilnius must immediately publish this information through the information disclosure system. The Company must also simultaneously provide the information to the Certified Advisor, if the information has not been agreed on with it in advance.

18.2. In order to ensure announcement of the disclosed information, the issuer, having sent the information for the review to Nasdaq Vilnius, must immediately notify Nasdaq Vilnius by phone. Nasdaq Vilnius shall disclose the information received from the issuer on Nasdaq Vilnius internet website, provided there are no significant errors or discrepancies. In the event significant errors or discrepancies exist, Nasdaq Vilnius may decide not to make the information public, but rather approach the issuer with a request to correct or clarify the information.

18.3. The issuer shall have at least one designated contact person who could, wherever necessary, provide immediate assistance, documents or information required by Nasdaq Vilnius. The issuer may agree with the Certified Adviser to authorise the contact person to fulfil this obligation and ensure that this person has all necessary information and documents. The issuer shall immediately notify Nasdaq Vilnius and the Certified Adviser about the change of this person.

18.4. The issuer shall make all notices public in Lithuanian and (or) in English.

### **19. General disclosure requirements**

19.1. The issuer shall immediately disclose through the information system any information about all material or significant business events or other circumstances relating to the issuer, which, although not specified in these Rules, might have an impact on the issuer's assets, liabilities, business or reputation or on the price of the issuer's transferable securities or the rights attaching to transferable securities and for those reasons must be made public.

19.2. Members of the issuer's Supervisory Board or management bodies shall regularly analyse, within their powers, developments in the issuer's economic activities and changes therein, in order to determine what material events, according to these Rules, must be disclosed immediately.

19.3. The information provided by the issuer shall be accurate, clear, complete and unambiguous, its content not misleading and free of any misstatements or omissions that might affect the content of the information or its importance.

19.4. The Certified Adviser shall monitor at all times whether the issuer is in compliance with the disclosure requirements set forth in these Rules and assist in continuing compliance therewith. It shall be entitled to verify and/ or approve information to be disclosed and has to ensure its confidentiality. The Certified Adviser shall not be directly responsible for the content of the information, unless it possesses all the information about the event to be disclosed.

19.5. If there are changes in the issuer's disclosed information, the issuer shall immediately notify Nasdaq Vilnius thereof.

19.6. Nasdaq Vilnius may request the issuer to provide explanations or additional information concerning the issuer's disclosed or submitted information. The issuer must provide the requested information immediately.

19.7. The issuer shall ensure that no information which might have an effect on the price of its transferable securities is accessible to persons not authorized to have access to inside information before it is disclosed in the manner prescribed by these Rules.

19.8. If the issuer learns that inside information became accessible to persons not authorized to have access to it before its public disclosure, the issuer shall immediately disclose said information in the manner prescribed by these Rules.

19.9. If a situation set forth in clause 19.8 of these Rules has occurred and the issuer needs more time to disclose the information concerned, it shall immediately notify Nasdaq Vilnius about its intention to disclose material information and give a brief description of the event, the disclosure whereof is intended. If Nasdaq Vilnius deems that certain information may cause significant price fluctuations of the issuer's transferable securities, it may temporarily suspend trading in transferable securities of a particular issuer until the issuer provides full disclosure of the relevant information. The issuer also shall submit a request to Nasdaq Vilnius regarding temporary suspension of trading in the issuer's transferable securities.

19.10. For the purposes of these Rules, person in possession of inside information is deemed to be insider. For the purposes of these Rules, including, but not limited to, the issuer's employees having access to inside information, employees of the issuer's Certified Adviser, directly involved in rendering services of a Certified Adviser to the issuer, and other persons having access to inside information by virtue of their work or on other legal grounds can be deemed to be insiders.

19.11. The issuer shall ensure that the information released through the information disclosure system is publicly accessible for all market participants pursuant to the laws and these Rules.

## **20. Annual and periodic reporting**

20.1. The issuer must immediately make its annual information public on information system but no later than on the day these documents are disclosed for the attention of the issuer's shareholders.

20.2. The annual information shall comprise audited annual set of financial reports of an entity, the management report and the statements by the responsible persons within the issuer, to the effect that, to the best of their knowledge, the financial statements were prepared in accordance with the applicable set of accounting standards, they give a true and fair view of the issuer's assets, liabilities, financial position, profit or loss, and that the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of principle risks and uncertainties that it faces. The annual information shall be supported with the independent auditor's report.

20.3. An issuer established in the Republic of Lithuania or another member state must draw up its audited annual set of financial reports of an entity in accordance with the national legal acts or the International Accounting Standards.

An issuer established not in a member state must draw up the audited annual set of financial reports of an entity in accordance with the International Accounting Standards.

20.4. An issuer shall present its financial statements to Nasdaq Vilnius in a comparative table, where the data of the reporting period would be comparable with the data of the respective period in the previous years, drawn up in accordance with the Business Accounting Standards or the International Accounting Standards.

20.5. If the set of financial reports of an entity approved by the general shareholders' meeting differ from the set of financial reports of an entity submitted to Nasdaq Vilnius and disclosed through the information system, the set of financial reports of an entity approved by the general shareholders' meeting shall be made public through the information system immediately after they are approved by the general shareholders' meeting.

20.6. If the issuer changes the accounting principles it applies, these changes must be explained in the explanatory notes together with the reasons for such changes, their impact on the results of the reporting period and the comparable results of the previous period.

20.7. An issuer must immediately disclose through the information system the management report, drawn up pursuant to the provisions of the laws of the Republic of Lithuania. The management report shall be filed together with the statement by the responsible persons within the issuer, to the

effect that, to the best of their knowledge, the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of principle risks and uncertainties that it faces. If the issuer changes through the information system disclosed management report, the new approved management report must be disclosed through the information system immediately after it was approved.

20.8. An issuer, not deemed an issuer in the meaning of the Law on Securities of the Republic of Lithuania, must support its management report with the following:

20.8.1. Information about the issuer's shareholders (total number of shareholders; shareholders who at the end of the reporting period (specify the date) own or hold control of 5% or more of the issuer's authorized capital (specify the names and surnames of these shareholders; names and codes of legal entities, their legal form, registered offices), the number of the shares by classes and the portion (percentage) of votes held, directly and indirectly, by each of them);

20.8.2. Information about the members of the issuer's managing bodies (their powers, order of appointment and replacement), members of collegial bodies, the issuer's manager (names, surnames, data about their participation in the issuer's authorized capital, beginning and end of term in office of each member, data about the total amount of money paid and other assets transferred or sureties granted to all and average amounts per each member of the collegial body as well as to the Head of the issuer during the reporting period).

20.9. Where an issuer is required to prepare consolidated set of financial reports of an entity, the annual information shall comprise the audited annual consolidated set of financial reports of an entity, the audited consolidated management report and the statement of the responsible persons within the issuer, to the effect that, to the best of their knowledge, the annual consolidated financial statements were prepared in accordance with the applicable set of accounting standards, they give a true and fair view of the assets, liabilities, financial position, profit or loss of the issuer and the consolidated companies as a whole, and that the consolidated management report includes a fair review of development and performance of the business. The annual consolidated set of financial reports of an entity shall be made public through the information system together with the annual set of financial reports of an entity of the parent company. The annual consolidated financial statements and the annual financial statements of the parent company must be audited.

20.10. The periodic information shall comprise the set of financial reports of an entity for six (6) months and the statement of the responsible persons within the issuer, to the effect that, to the best of their knowledge, the interim financial statements were prepared in accordance with the applicable set of accounting standards, they give a true and fair view of the issuer's assets, liabilities, financial position, profit or loss. In the event the interim financial statements for six (6) months is made public, additionally the interim management report for six (6) months shall be disclosed with the statement of the responsible persons within the issuer, to the effect that, to the best of their knowledge, the interim management report includes a fair review of the development and performance of the business. In the event an audit of the interim financial statements is conducted, the interim set of financial reports of an entity shall be disclosed together with the independent auditor's report.

20.11. The interim set of financial reports of an entity shall comprise the balance sheet, the profit (loss) account, the condensed cash flow statement, the condensed statement of changes in equity and the explanatory notes.

20.12. The interim report for the period of six (6) months shall specify detailed information on the significant changes in the facts disclosed in the previous annual report.

20.13. An issuer must disclose the interim information through the information system immediately after the end of the reporting period, but no later than within three (3) months from the end of that period.

20.14. Where an issuer is required to prepare consolidated set of financial reports of an entity, its interim information shall comprise the interim consolidated set of financial reports of an entity for six (6) months and the statement of the responsible persons within the issuer, to the effect that, to the best of their knowledge, the interim management report includes a fair review of the development and performance of the business.

20.15. The Issuer of debt securities with the nominal value of at least 100.000 euros, or with the nominal value corresponding to at least 100.000 euros on the day of issue if the debt securities are nominated in another currency, are exempted from submitting financial report for 6 months.

**21. Drafting of periodical information of companies, which qualify as issuers:**

The companies, which, pursuant to the Law on Securities of the Republic of Lithuania, qualify as issuers, when drafting their annual and periodical information, shall adhere to the Law on Securities of the Republic of Lithuania and the Information Disclosure Rules approved by the Bank of Lithuania.

**22. The issuer's obligation to disclose inside information:**

22.1. The issuer is obliged to immediately disclose inside information, which is used in accordance with the meaning provided for in Market Abuse Regulation (MAR). The disclosure of the inside information shall be subject to the requirements of the Market Abuse Regulation and legal acts implementing it as well as the requirements set by the Competent Authority. The information must be disclosed through the information system at least simultaneously with making it public through other channels in accordance with the requirements of the legislation referred to in this paragraph.

22.2. The issuer has a right to delay with the disclosure of inside information under the conditions and pursuant to the procedure provided by the Market Abuse Regulation (MAR) and its implementing legislation.

**23. The information set out in this section below should always be disclosed irrespective of whether it constitutes inside information which requires disclosure pursuant to MAR:**

23.1. If the Issuer is of the opinion that the other information, which is not inside information in accordance with the meaning provided for in Market Abuse Regulation (MAR), to be disclosed according to these Requirements or required by Nasdaq Vilnius contains the issuer's business secrets or that disclosure may otherwise damage the interests of the issuer, the issuer may apply to Nasdaq Vilnius not to disclose such information. The application presented to Nasdaq Vilnius shall contain the information non published or required by Nasdaq Vilnius and a reasoned explanation by the issuer of the reasons why the issuer does not wish to make the information public.

23.2. The issuer shall immediately notify the public through the information system about changes in the composition of management bodies or the Supervisory Board, replacement of the audit firm or the Certified Adviser and the information about any concluded or terminated agreement with market makers. The issuer must also give notice, if members of the management bodies or the head of administration of the issuer present a resignation notice or are unable to continue to hold their position for other reasons. When giving notice of the decision to elect members of the management bodies or the head of administration, the issuer must specify the given names, surnames and current positions of the new members or head of administration;

23.3. If the result in the issuer's audited financial statements differ from the disclosed preliminary result by more than 10%, the issuer shall immediately submit a notice explaining such a difference;

23.4. If an issuer makes public a forecast of the financial results (profit or loss, sales) for the following reporting period (annual, quarterly or monthly), the issuer shall explain the forecast and describe the circumstances and assumptions, on which the forecast is based. If, after the publication of the issuer's forecast of the financial results there is a reason to believe that the disclosed forecast will differ from the actual financial results for the period by more than 10%, the issuer must immediately adjust the forecast and explain the reasons which have caused the deviation from the forecast. If the assumptions on which a previously published forecast was based cannot be realized as planned, the issuer is required to disclose the relevant information.

23.5. The issuer must give notice of any interferences with the issuer's business as well as of any patents, licenses and/or certificates acquired by the issuer, any industrial, commercial and/or financial contracts concluded by the issuer and any new manufacturing processes commenced by the issuer, which may materially affect the issuer's operations and financial situation;

23.6. The issuer shall disclose information on material events (any transaction worth 10% or more of the issuer's equity capital or total nominal value of securities admitted to trading, selecting higher criterion from these two criteria, shall be deemed material). In its notice about the material event the

issuer shall specify the nature of the transaction and its potential effect on the issuer's business and financial status, amounts payable or receivable in the transaction, including the amounts payable or receivable in the future periods.

23.7. The issuer must give notice of any decision regarding the reorganisation, restructuring or liquidation of the issuer adopted and/or proposed by the issuer's competent body as well as of any decision to go to court to have a bankruptcy case initiated against the issuer. The issuer must immediately give notice, if a court decision to initiate a bankruptcy case against the issuer or a creditor meeting's decision regarding the extrajudicial examination of the issuer bankruptcy proceedings is passed as well as if a competent authority passes a decision to recognise the issuer as insolvent;

23.8. General Meeting and Bondholders Meeting:

23.8.1. Share issuer shall disclose through the information system a resolution to convene a general shareholders' meeting.

23.8.2. If the agenda of the general shareholders' meeting includes any issues connected with financial instrument events, the issuer must announce an ex-date (hereinafter the Ex-Date), starting from which the shares subject to the specific corporate action are traded without the benefit rights attached to them – for instance, any shares acquired starting from that date are not entitled to recently declared dividends.

The Ex-date shall be announced no later than two (2) business days before the particular Ex-date. Provided that the Exchange standard settlement cycle is T+2, the Ex-date is the previous business day before the related Record date<sup>1</sup>.

For the purposes of this Clause the business days are understood as days when in accordance with the depository rules, which is the place of primary registration of the securities in question, the settlement takes place.

23.8.3. Share issuer shall disclose through the information system the resolutions passed by the general shareholders' meeting without delay.

23.8.4. Share issuer shall disclose through the information system information about a resolution that the issuer's competent bodies passed and/or intend to pass concerning payment (not payment) of dividend specifying the amount of dividend per share, the order and terms of payment of dividend.

23.8.5. Issuer of debt securities shall disclose through the information system a resolution to convene a Bondholder Meeting.

23.8.6. Issuer of debt securities shall disclose resolutions adopted by Bondholder Meeting.

23.9. Changes in the composition of the capital:

23.9.1. An issuer shall immediately disclose through the information system a resolution to propose to the general shareholders' meeting to reduce or increase the issuer's authorized capital; in its notification the issuer shall specify the purpose and procedure of the reduction or increase of the authorized capital. In the event the issuer's general shareholders' meeting adopts a resolution to increase or reduce the authorized capital, change the par value of the shares or convert transferable securities, the issuer shall make public a notification containing a detailed description of the procedure and time limits for the implementation of said resolutions.

23.9.2. If the increase in the authorized capital is intended by issuing new shares, the notification about the general shareholders' meeting to be convened shall contain, besides the information to be disclosed pursuant to the Law on Companies of the Republic of Lithuania, the following information, if known:

(i) date of the general shareholders' meeting, in order to be able to make a list of shareholders with a pre-emptive right for subscription of the shares;

(ii) financial year, from which the newly issued shares will be allocated a portion of the issuer's profit for distribution;

(iii) If an underwriting agreement has been signed or is to be signed with a provider of investment services (underwriter) for an IPO ('firm commitment' or 'best effort'), the main provisions of said agreement;

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<sup>1</sup> The Ex-Date is earlier than the respective financial instruments event record date by one settlement cycle minus one business day.



(iv) Date of settlement of the subscribed shares;

(v) Order of share allocation, in case the number of shares subscribed for is larger than offered.

23.9.3. An issuer shall file with Nasdaq Vilnius a written notice, specifying the actual date when the documents for registration of the increase/ decrease of the issuer's authorized capital or change in the par value of the shares will be rendered to the manager of the Register of Legal Entities for registration where the registration of said information means implementation of the decision of the competent body' meeting to decrease the authorized capital by pro rata reduction of the number of shares held by each shareholder or without changing the amount of the authorized capital to increase the par value of shares by pro rata reduction of the number of shares or without changing the amount of the authorized capital to decrease the par value of shares by pro rata increase of the number of shares. The notice shall be submitted to Nasdaq Vilnius no later than five (5) working days before the above-mentioned documents are rendered to the manager of the Register of Legal Entities.

23.9.4. If the issuer issues new shares of the same type and class as those already traded on the First North market, it must notify Nasdaq Vilnius accordingly, as soon as any rights of restriction on their transferability are removed.

23.9.5. Clause 23.9.4 of these Rules shall apply in the event the issuer has applied for admission of its shares to trading for the first time.

23.9.6. The requirements of the Clause 23.9 are not applicable to the Issuer of debt securities.

#### **24. Notice of transactions of the Issuer's managers and associated persons:**

The procedure of disclosure of transactions of the managing staff and persons closely associated with them shall be regulated by the Market Abuse Regulation and the Information Disclosure Rules of the Bank of Lithuania.

#### **25. Issuer's obligation to disclose acquisition or disposal of own shares:**

25.1. An issuer, alone or through another person, acting in its own name, but for the benefit of the issuer, which has acquired or transferred 5% or 10% of its own shares must, no later than within four (4) trading days on the First North market, disclose through the information system the relative amount of the shares it holds. This duty remains irrespective of whether the threshold has been exceeded as a result of an increase or decrease of the holding. The relative number of shares shall be calculated taking regard to the total number of the shares with voting rights.

25.2. In order to be able to calculate the threshold established in clause 25.1 of these Rules, the issuer must disclose through the information system the total number of voting rights attaching to its outstanding shares, the size of the authorized capital, the number of the shares and nominal value thereof. This information shall be made public at the end of each calendar month in which the changes occurred.

#### **26. Admission to trading in other multilateral trading systems or regulated markets:**

An issuer must disclose information about intent to apply for admission of its transferable securities to secondary trading on another multilateral trading system or regulated market and about the admission or refusal to admit its transferable securities to trading on another multilateral trading system or regulated market, trading in them and suspension or termination of trading therein.

## **VI. MEMBERSHIP, TRADING AND SETTLEMENT**

### **27. Trading on the First North market**

27.1. Trading on the *First North* market shall be executed by Nasdaq Vilnius, which holds a licence of a regulated marketplace issued by the Bank of Lithuania, as an operator of a trading and settlement system. Nasdaq Vilnius Listing Rules and Nasdaq Baltic Membership Rules are applicable for trade and the dissemination of information to the extent that different procedure is not set forth herein.

27.2. Transactions in transferable securities, admitted to trading on the *First North* market, may be concluded only by the members of Nasdaq Vilnius, who are granted membership pursuant to the Nasdaq Baltic Membership Rules. Nasdaq Vilnius members, willing to participate in the trading on the *First North* market, must submit to Nasdaq Vilnius a written statement of compliance with the provisions of these Rules.

27.3. Membership, trading in transferable securities and settlement of the transactions concluded on the *First North* market shall be a subject to the provisions of these Rules and those of Nasdaq Baltic Membership Rules.

27.4. Trading hours on the First North market are specified in the Nasdaq Baltic Membership Rules and disclosed on the website of Nasdaq Vilnius.

## **28. Additional obligations of Nasdaq Vilnius members on the First North market**

28.1. Besides obligations that Nasdaq Vilnius members are subject to pursuant to Nasdaq Baltic Membership Rules, Nasdaq Vilnius members acting on the *First North* market must:

28.1.1. provide their clients and potential clients with clear and comprehensive information, necessary to be able to understand the essence and potential risks of the *First North* market and take informed investment decisions;

28.1.2. consult their clients and supply them with information on the *First North* market, these Rules and the Nasdaq Baltic Membership Rules with a view to ensuring compliance therewith;

28.1.3. have routines and procedures in place, in order to ensure control and supervision of their clients on the *First North* market, to ensure compliance with the provisions of these Rules and/ or the Nasdaq Baltic Membership Rules and an effective application of said routines and procedures;

28.1.4. monitor transactions concluded by their clients, determine and prevent potential unfair trading conditions and abusive practices on the *First North* market;

28.1.5. notify Nasdaq Vilnius about cases of violations of these Rules and/ or Nasdaq Baltic Membership Rules, unfair trading conditions and manipulative practices on the *First North* market;

28.1.6. notify Nasdaq Vilnius immediately about potential violations and cooperate in all possible ways in the investigation of cases of potential manipulation on the *First North* market;

28.1.7. at the request of Nasdaq Vilnius, submit information about their clients, orders placed by them and conditions thereof, the execution and failure to execute these orders;

28.1.8. comply with rules of the Law on Markets in Financial Instruments in relation to their clients, when operating on behalf of their client, execute his orders on the *First North* market.

## **VII. SUSPENSION AND RESUMPTION OF TRADING IN TRANSFERABLE SECURITIES**

### **29. Suspension of trading**

29.1. A decision to suspend and (or) resume trading in transferable securities admitted to trading on the *First North* market shall be adopted by Nasdaq Vilnius Board.

29.2. In the event material information is received from the issuer or any other primary source, which results in immediate suspension of trading in transferable securities with a view to the protection of interests of investors or suspension is required by the Bank of Lithuania, the decision to suspend trading may be passed by the person empowered by Nasdaq Vilnius. The person empowered by Nasdaq Vilnius shall notify Nasdaq Vilnius Board of the decision to suspend trading at the next meeting.

29.3. In the event the trading in transferable securities has to be immediately resumed, the decision may be made by the person empowered by Nasdaq Vilnius. The person empowered by Nasdaq Vilnius shall notify Nasdaq Vilnius Board of the respective decisions at the next meeting.

29.4. Decisions of Nasdaq Vilnius Board and of the person empowered by Nasdaq Vilnius concerning suspension and (or) resumption of trading in transferable securities shall be immediately communicated (by electronic means) to the issuer and disclosed through the information system.

29.5. Nasdaq Vilnius shall be entitled to suspend trading in the issuer's transferable securities in the presence of extraordinary circumstances with a view to the protection of interests of investors. Extraordinary circumstances shall include unusual price fluctuations of transferable securities, pending disclosure of information that may have a significant impact on the price of the issuer's transferable securities as well as other situations, circumstances or conditions that may disrupt fair regular trading in the issuer's transferable securities.

29.6. Nasdaq Vilnius shall be entitled to suspend trading in an issuer's transferable securities on the day of the general shareholders' meeting, if this event may have a significant impact on the price of said securities. Trading in the issuer's transferable securities may be suspended from the beginning of said event until disclosure of the adopted decisions or other material information through the information system or until registration of the documents concerned.

29.7. With a view to protection of interests of investors, Nasdaq Vilnius shall be entitled to suspend trading in an issuer's transferable securities on the day of its competent authority's meeting, which is to discuss issues of an increase or reduction of the issuer's authorised capital, change in the par value of shares or conversion of its securities or approve the annual set of financial reports of an entity. Trading shall be resumed when the material event, i.e. the resolutions passed by the competent authority's meeting, are disclosed through

the information system.

29.8. Trading in the issuer's transferable securities shall be suspended, if the issuer decides not to pay interest (or coupon payment) or fails to respect the obligation to pay declared dividend, files a petition for bankruptcy or convenes a general shareholders' meeting in order to pass the resolution to terminate its activities.

29.9. Nasdaq Vilnius shall be entitled to suspend trading in the issuer's transferable securities, if the issuer violates provisions of these Rules in such a way that it may significantly jeopardise determination of the fair price of the securities or violate interests of investors.

29.10. Trading in debt securities shall be suspended on the second business day before the record date, on which the list of owners of debt securities is determined for the redemption of these securities<sup>2</sup>.

A business day referred to herein shall be understood as a day included in the securities settlement cycle according to the procedure prescribed by the rules of the Central Depository.

29.11. Nasdaq Vilnius shall be entitled to suspend trading in an issuer's transferable securities if Nasdaq Vilnius becomes aware of the fact that the information disclosed through the information system, which may have an impact on the price of the issuer's securities is clearly false or requires additional explanation or must be verified due to other reasons.

29.12. Nasdaq Vilnius shall be entitled to suspend or resume trading in an issuer's transferable securities under provisions of the Nasdaq Vilnius Listing Rules which shall be applicable to the issuer and its transferable securities *mutatis mutandis*.

29.13. Usually trading in transferable securities shall be suspended for no longer than six (6) months. In the cases specified in clauses 29.7–29.11 of these Rules, trading in an issuer's transferable securities may not be suspended for more than thirty (30) days. Where trading in an issuer's transferable securities was suspended for six (6) months or in cases specified in clauses 29.7-29.11 thirty (30) days and the issuer did not take any measures to remove the causes that have resulted in such a decision or the measures taken failed to remove the causes thereof, Nasdaq Vilnius shall be entitled to terminate trading in the issuer's transferable securities.

## **VIII. TERMINATION OF TRADING IN TRANSFERABLE SECURITIES BY INITIATIVE OF THE ISSUER**

30. Trading in an issuer's transferable securities on the *First North* market may be terminated under provisions of this Chapter upon filing a written application with Nasdaq Vilnius by the authorized body of the issuer .

31. The decision to terminate trading in an issuer's transferable securities shall be made by the issuer's general shareholders' meeting.

32. If the issuer is planning to include an issue of termination of trading in its transferable securities on the agenda of the general shareholders' meeting, it shall immediately disclose this intention on the information system.

33. Nasdaq Vilnius Board shall be entitled to reject the issuer's application to terminate trading in its transferable securities, if it is of the opinion that the termination of trading in the issuer's transferable securities may violate lawful interests of investors or give certain holders of transferable securities an unlawful advantage in respect of other holders or place certain holders of transferable securities in a position of being able to acquire unlawful gain or profit in respect or at the expense of other holders.

34. Nasdaq Vilnius Board must make a decision to approve or reject an issuer's application to terminate trading in its transferable securities no later than within one (1) month from the day of submission of the application. If Nasdaq Vilnius, reviewing the application to terminate trading in an issuer's transferable securities, requests the issuer to submit additional information or if the issuer has been subjected to supervisory procedures or if other significant circumstances have arisen in relation to the issuer, Nasdaq Vilnius Board must make the decision no later than within one (1) month from the day the issuer submits all additional information, or the application of supervisory procedures or other significant circumstances related to the issuer are over, but no later than within three (3) months from the day the application to terminate trading in the issuer's transferable securities is received.

35. If Nasdaq Vilnius Board fails to make a decision within three (3) months as established in clause 34 of these Rules, it shall be deemed that the application to terminate trading in the issuer's transferable securities was rejected.

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<sup>2</sup> The record date, on which the list of owners of debt securities is determined, shall be one business day before the day of redemption of the debt securities, unless the debt securities prospectus or conditions provide for a different date.

36. If the debt securities are redeemed according to the terms and conditions provided in the Company Description or Prospectus or Securities Note, the trading in such securities shall be terminated at maturity. If the debt securities are redeemed on the terms and conditions other than provided in the documents referred to above, the trading in such securities shall be terminated upon the decision of Nasdaq Vilnius.

## **IX. TERMINATION OF TRADING IN TRANSFERABLE SECURITIES AT THE INITIATIVE OF NASDAQ VILNIUS**

### **37. Termination of trading**

37.1. Nasdaq Vilnius Board shall be entitled to make a decision to terminate trading in an issuer's transferable securities on the *First North* market, if:

37.1.1. the issuer's transferable securities traded on the *First North* market no longer meet the requirements set forth for them in these Rules; or

37.1.2. the issuer, including, but not limited, to members of its managing bodies or the Supervisory Board or employees, has repeatedly or significantly violated provisions of these Rules and Nasdaq Baltic Membership Rules that apply to the issuer *mutatis mutandis*, or those of legal acts regulating trading in transferable securities; or

37.1.3. in the case described under clause 29.13 of these Rules; or

37.1.4. usual trading in the issuer's transferable securities is no longer possible due to other objective reasons;

37.1.5. the issuer fails to choose another Certified Adviser within six (6) months after terminating its agreement with the Certified Adviser and the agreement with Certified Adviser is mandatory;

37.1.6. the issuer has become insolvent;

37.1.7. the issuer failed to pay the quoting fee to Nasdaq Vilnius after the reminder;

37.1.8. the issuer no longer exists after its reorganisation;

37.1.9. the issuer makes a decision to undergo liquidation, the court institutes bankruptcy or the meeting of creditors makes a resolution to initiate extrajudicial bankruptcy proceedings.

37.2. Before making a decision to terminate trading in an issuer's transferable securities, Nasdaq Vilnius shall notify the issuer that an issue of termination of trading is under discussion.

Nasdaq Vilnius shall be entitled to discuss the circumstances under which trading in transferable securities may be initiated and what measures should be taken in order to remove said circumstances. Nasdaq Vilnius shall be entitled to provide the issuer with a possibility to file a written explanation and set a period of time, during which it may remedy the situation or present a plan of actions for doing that.

37.3. The decision of Nasdaq Vilnius Board to terminate trading in an issuer's transferable securities must specify the date of enactment thereof. Nasdaq Vilnius Board shall, when fixing the date of enactment, consider interests of investors.

37.4. Nasdaq Vilnius shall immediately notify the issuer concerned in writing about the decision to terminate trading in its transferable securities. The notification shall specify the reasons of said decision.

37.5. Nasdaq Vilnius shall immediately notify the Bank of Lithuania about its decision to terminate trading in an issuer's transferable securities.

37.6. Nasdaq Vilnius shall immediately disclose its decision to terminate trading in an issuer's transferable securities through the information system.

37.7. If the issuer or its Certified Adviser does not agree with the decision of Nasdaq Vilnius Board to terminate trading in the issuer's transferable securities, they shall be entitled to lodge an appeal in writing to Nasdaq Vilnius, no later than within fifteen (15) days as from the day the decision is made, with a motivated request to reconsider the decision. Nasdaq Vilnius Board, having reviewed the appeal, may take one of the following decisions:

37.7.1. satisfy the appeal and change the previous decision;

37.7.2. reject the appeal and leave the adopted decision effective.

37.8. In the event the issuer or its Certified Adviser does not agree with the decision of Nasdaq Vilnius Board after the appeal is reviewed, each and every dispute arising out of or relating to a decision to terminate trading in the issuer's transferable securities shall be finally settled by arbitration at Vilnius Court of Commercial Arbitration according to the applicable arbitration regulation..

## **X. SUPERVISION**

### **38. General provisions**

38.1. Nasdaq Vilnius shall conduct supervision of the issuers, Certified Advisers and Nasdaq Vilnius members as well as of transferable securities traded on the *First North* market in the manner prescribed by these Rules.

38.2. For the purposes of clause 38.1 of these Rules, the term “Nasdaq Vilnius“ includes Nasdaq Vilnius Board, the manager and heads of divisions and the committees performing supervisory functions. If any committees are formed, their activities must be defined in detail in the rules of the particular committee, approved by Nasdaq Vilnius.

### **39. Rights and obligations of Nasdaq Vilnius while performing supervision**

39.1. Nasdaq Vilnius, seeking to ensure issuers’ compliance with the requirements set forth in these Rules and the decisions made, shall conduct supervision of the issuers and Certified Advisers of their compliance with the Rules and daily supervision of operations.

39.2. Nasdaq Vilnius shall monitor how the issuer and/ or its Certified Adviser comply with the decisions, instructions, procedures and recommendations passed by Nasdaq Vilnius.

39.3. While performing its duties, Nasdaq Vilnius shall be entitled to:

39.3.1. require that the issuer and/ or its Certified Adviser, having violated provisions of these Rules, decisions, instructions, procedures and recommendations passed by Nasdaq Vilnius, rectify the violations;

39.3.2. require that the issuer and/ or its Certified Adviser submit information and documents, necessary for Nasdaq Vilnius to evaluate whether the issuer and/ or its Certified Adviser may perform the functions set forth in these Rules and whether the issuer’s transferable securities comply with the requirements of these Rules and the rules of trading in transferable securities, including a prohibition of insider dealings in trading in transferable securities;

39.3.3. require that the information be submitted on an issuer’s shareholders, members of managing bodies and the Supervisory Board as well as other information necessary for Nasdaq Vilnius to be able to evaluate whether the issuer and its transferable securities comply with the requirements of the laws and these Rules;

39.3.4. copy the documents and information submitted by the issuer and/ or its Certified Adviser.

39.4. Nasdaq Vilnius shall subject all employees and Nasdaq Vilnius representatives, members of the Board and the Supervisory Board to an obligation to keep information they are in possession of by virtue of their supervisory function of issuers and/ or Certified Advisers confidential for an unlimited period. This obligation shall not apply to the information which is publicly accessible, as well as to the information which must be disclosed in accordance with the law or Nasdaq Vilnius rules.

### **40. Rights and obligations of Certified Advisers while performing supervision**

40.1. A Certified Adviser shall be authorized to conduct daily supervision of the compliance of the issuer’s activities and operations with the requirements of these Rules. The rights and obligations of the Certified Adviser shall be set forth in the agreement between the Certified Adviser and the issuer.

40.2. While performing its duties, a Certified Adviser shall be entitled to require that the issuer submit information and documents, necessary for the Certified Adviser to evaluate whether the issuer and its transferable securities meet the requirements of these Rules.

40.3. A Certified Adviser must immediately notify Nasdaq Vilnius about all and any actions of the issuer contradictory to the requirements of these Rules.

40.4. A Certified Adviser shall subject all its employees and representatives to an obligation to keep information they become aware of by virtue of the supervisory function of issuers confidential for an unlimited period. This obligation shall not apply to the information which is publicly accessible and to that which must be disclosed in accordance with the law.

### **41. Supervision of an issuer’s activities**

41.1. Where there is grounded reason to believe that the issuer’s activities fail to comply with these Rules, Nasdaq Vilnius shall be entitled at any time to require that the issuer submit all information, necessary for the evaluation of compliance of the issuer’s actions and/ or operations related to the *First North* market with the provisions of these Rules.

41.2. An issuer must submit to Nasdaq Vilnius all requested information and documents as well as a written explanation of the issuer’s actions and/ or operations concerned. The costs of the inspection shall be covered by the issuer itself.

41.3. For the purposes of supervision, Nasdaq Vilnius shall be entitled to apply observation status (so-called “surveillance list”) to the financial instruments. The objective of applying the observation status is to draw the attention of the market participants to important circumstances or facts in relation to the issuer or its transferable securities.

41.4. Nasdaq Vilnius shall be entitled to apply an observation status if:

41.4.1. the issuer has passed a decision to liquidate the company, the court put it on bankruptcy proceedings or a bankruptcy petition has been filed by the issuer or a meeting of creditors has decided to instigate an extra judicial bankruptcy procedure;

41.4.2. legal proceedings that may have a significant effect on the issuer and its future activities have been initiated;

41.4.3. the issuer has repeatedly, systematically or significantly violated the requirements of the laws or these Rules;

41.4.4. the issuer has filed an application to terminate trading in its transferable securities on the *First North* market or such an application is expected during the next 6 (six) months;

41.4.5. the issuer's shareholders have been given a tender offer or intent to make such an offer has been disclosed;

41.4.6. the agreement between the issuer and its Certified Adviser has been terminated;

41.4.7. due to other reasons when applying an observation status is necessary in order to draw attention of the investors.

41.5. Nasdaq Vilnius Board (in urgent cases, the person empowered by Nasdaq Vilnius) may apply or cancel the observation status. The person empowered by Nasdaq Vilnius notifies Nasdaq Vilnius Board about their decision in the next meeting of the Board.

41.6. After Nasdaq Vilnius passes a decision to apply an observation status, a special mark shall be entered next to the name of the issuer and its financial instruments in the Trading System and on Nasdaq Vilnius website, informing the market participants about applying the observation status.

41.7. Nasdaq Vilnius decision to apply or cancel the observation status thereof shall be immediately communicated (by electronic mail) to the issuer of these financial instruments and the Bank of Lithuania (unless it is not necessary due to the reason for an observation status) and disclosed through Nasdaq Vilnius information system. If the issuer wants to make comments on Nasdaq Vilnius decision to apply observation status to issuer's financial instruments, the issuer's comments shall be made public through information system.

41.8. The obligations undertaken by the issuer under these Rules shall be binding during the period observation status is applied. The issuer must notify Nasdaq Vilnius about the changes in the circumstances that have caused its being under observation.

41.9. The decision to cancel the observation status shall be passed only after all grounds and reasons to have caused applying the observation status are removed.

## **42. Supervision of Certified Advisers**

42.1. If reasonable doubts arise concerning compliance of a Certified Adviser's activities with the requirements of these Rules, Nasdaq Vilnius may require at any time that the Certified Adviser submit the information it possesses for the evaluation of the compliance of the Certified Adviser's actions and/ or operations on the *First North* market with the provisions of these Rules.

42.2. The Certified Adviser concerned must submit to Nasdaq Vilnius all requested information and documents as well as a written explanation of the Certified Adviser's actions and/ or operations concerned. The costs of the inspection shall be covered by the Certified Adviser.

## **43. Supervision of trading on the First North market**

43.1. The supervision of the activities of Nasdaq Vilnius members on the *First North* market shall be conducted pursuant to the routines and procedures approved and applicable for the regulated market. The supervision of the activities of Nasdaq Vilnius members on the *First North* market shall be conducted pursuant to the provisions of Nasdaq Baltic Membership Rules *mutatis mutandis*.

43.2. Nasdaq Vilnius, applying routines and procedures approved and applicable for the regulated market shall monitor the transactions executed on the *First North* market, detect and prevent violations, market abuse fraudulent trading conditions and market abuse under the provisions of these Rules and Nasdaq Baltic Membership Rules applicable for the *First North* market *mutatis mutandis*.

43.3. Liability of Nasdaq Vilnius members shall be established in clause 48 of these Rules.

43.4. Acting in accordance with the Law on Markets in Financial Instruments of the Republic of Lithuania, Nasdaq Vilnius shall notify the Bank of Lithuania about any significant violations of these Rules, cases of fraudulent trading conditions and market manipulation on the *First North* market, immediately submit to the Bank of Lithuania information on potential violations of the Rules and cooperate in the investigation of potential market manipulation on this market.

## **XI. LIABILITY**

#### **44. General provisions**

44.1. If an Issuer, its Board or Supervisory Board member or employee violates the provisions of these Rules, other legal acts or the principles of good practice of the stock market, Nasdaq Vilnius may pass decisions mandatory for the issuer and impose penalties or other sanctions, including suspension or termination of trading.

44.2. If a Certified Adviser violates the requirements set forth in these Rules, other legal acts or the principles of good practice on the stock market, Nasdaq Vilnius may issue precepts mandatory for the Certified Adviser concerned or impose sanctions to the Certified Adviser, including termination of the Agreement.

44.3. For the purposes of these Rules, the principles of good practice shall be understood as conduct and quality standards on the stock market that an issuer and (or) Certified Adviser shall comply with, in order to properly fulfil the requirements set forth for them in legal acts and these Rules.

44.4. Decisions to impose sanctions shall be taken by Nasdaq Vilnius Board. In each particular case Nasdaq Vilnius Board shall consider aggravating circumstances (violations of interests of investors and the *First North* market, material damage, previous sanctions, failure to perform or improper performance of duties or obligations, personal complaints) and attenuating circumstances, including, but not limited to, filing of documents and other notices with Nasdaq Vilnius within the established deadlines, no sanctions previously imposed. Decisions concerning imposition of sanctions shall be adopted at Nasdaq Vilnius Board meeting by 2/3 of votes of participated members.

44.5. Nasdaq Vilnius must immediately notify the Bank of Lithuania about the decision to impose a sanction.

44.6. Nasdaq Vilnius must immediately disclose its decision to impose a sanction through the information system.

44.7. If an issuer or its Certified Adviser does not agree with the decision of Nasdaq Vilnius Board, Nasdaq Vilnius must inform the issuer or Certified Adviser concerned about their right to appeal against said decision.

44.8. If the issuer or its Certified Adviser does not agree with the decision of Nasdaq Vilnius Board, they shall be entitled to lodge an appeal in writing to Nasdaq Vilnius, no later than within fifteen (15) days as from the day the decision is made, with a motivated request to reconsider the decision. The Nasdaq Vilnius Board, having reviewed the appeal, may take one of the following decisions:

44.8.1. satisfy the appeal and change the previous decision;

44.8.2. reject the appeal and leave the decision effective.

44.9. In the event the issuer or its Certified Adviser does not agree with the decision of the Nasdaq Vilnius Board after the appeal is reviewed, each and every dispute arising out of or relating to a decision to terminate trading in the issuer's transferable securities shall be finally settled by arbitration at Vilnius Court of Commercial Arbitration according to the applicable arbitration regulation.

#### **45. Warning**

45.1. Nasdaq Vilnius shall notify the Issuer or Certified Adviser about issuance of a warning in writing, specifying the reason thereof. Nasdaq Vilnius Board may issue a warning to the Issuer or Certified Adviser, if its violation is not related to rights and interests of the investors, the *First North* market or other persons or if this violation is minor. A warning may be issued for several violations jointly.

45.2. Nasdaq Vilnius may disclose the reason of a warning to the public.

#### **46. Pecuniary penalties**

46.1. A pecuniary penalty may be imposed if an issuer's or its Certified Adviser's violation involves rights and interests of investors, the *First North* market or the rights and interests of other persons or if the violation has inflicted material damage to Nasdaq Vilnius or third persons or if the issuer or its Certified Adviser have repeatedly committed a violation within one year during which a warning has been issued. If several violations have been committed, the most severe whereof attracts a pecuniary penalty, only the pecuniary penalty shall be imposed.

46.2. Nasdaq Vilnius Board shall be entitled to impose a pecuniary penalty on an issuer or its Certified Adviser, the size whereof may not be larger than the double amount of the annual fee paid by the issuer concerned to Nasdaq Vilnius. When determining the amount of the penalty, Nasdaq Vilnius Board shall assess how severe the violation is and its effect on the investors and the *First North* market.

46.3. Nasdaq Vilnius Board may impose a pecuniary penalty, which may be determined as a lump sum or calculated for each day of the violation from the day the issuer had to fulfil the obligation until final fulfilment thereof.

46.4. Nasdaq Vilnius shall notify the issuer or its Certified Adviser about the imposed pecuniary penalty in writing, specifying the reason of its imposition.

46.5. The pecuniary penalty shall be paid to Nasdaq Vilnius current account within one (1) month from the day the decision of Nasdaq Vilnius Board was passed.

46.6. Nasdaq Vilnius shall be entitled to disclose the reason of the imposition of the pecuniary penalty to the public.

#### **47. Termination of the agreements with Certified Advisers**

47.1. Nasdaq Vilnius may terminate the agreement with a Certified Adviser:

47.1.1. if it fails to comply with provisions of these Rules, to fulfil obligations undertaken under these Rules or under the agreement signed with Nasdaq Vilnius or if its activities inflicted damage, including intangible, to the issuer or Nasdaq Vilnius;

47.1.2. activities or previous activities of a Certified Adviser, its management bodies, the supervisory board, Contact persons or any other representatives of a Certified Adviser which are involved in the provision of the Certified Advisers services have caused or may cause damage, including intangible damage, to an Issuer or the Exchange or have damaged or may damage public confidence in the Exchange, First North market or the securities market as a whole;

47.1.3. Certified Adviser has intentionally submitted incorrect information to the Exchange upon applying for Certified Adviser and/or in its later activities.

47.2. When terminating the agreement with a Certified Adviser, interests of the issuer shall be taken into consideration. The issuer shall be ensured a replacement of the Certified Adviser within reasonable time, while investors shall be ensured protection of their interests.

47.3. The fact of termination of the agreement between Nasdaq Vilnius and a Certified Adviser, including the reason whereof, shall be disclosed immediately through the information system.

#### **48. Liability of Nasdaq Vilnius members on the First North market**

48.1. Nasdaq Vilnius members shall be liable for violations of these Rules and/ or Nasdaq Baltic Membership Rules which apply to the *First North* market *mutatis mutandis*, other regulations of Nasdaq Vilnius, as well as for deeds or omissions with regard to the use of Nasdaq Vilnius trading system that may jeopardize interests of investors and/ or safety of the financial instruments market and/ or fail to comply with the principles of fair trading in financial instruments and/or mislead or may mislead other Nasdaq Vilnius members.

48.2. In case of failure to discharge obligations on the *First North* market undertaken under these Rules and other regulations of Nasdaq Vilnius, members shall be subject to the provisions of Nasdaq Baltic Membership Rules *mutatis mutandis*.

### **XIII. APPLICABLE LAW AND DISPUTE RESOLUTION**

#### **49. Applicable law and dispute resolution**

Any disagreement or dispute between Nasdaq Vilnius, an Issuer and a Certified Adviser concerning the application of these Rules or implementation of their rights and obligations provided thereof shall be resolved by mutual agreement and negotiations in accordance with the laws of the Republic of Lithuania. In case of failure to resolve the dispute in the manner referred to above, the dispute shall be finally settled by arbitration at Vilnius Court of Commercial Arbitration according to the applicable arbitration regulation.

*Chairman of the Board*