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Nasdaq Riga
ALTERNATIVE MARKET FIRST NORTH
RULES

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I GENERAL PROVISIONS

1. *Scope of application*

- 1.1. The Rules of the Alternative Market First North (hereinafter – the Rules) of the multilateral trading facility Alternative Market First North (hereinafter – First North) operated by the Nasdaq Riga (hereinafter - the Exchange and also Nasdaq Riga) sets out requirements and procedure for admission to trading and listing of financial instruments on the First North, requirements for financial instruments applied for and admitted to trading on the First North and their Issuers and the Certified Advisers of Issuers.
- 1.2. The Rules set out the procedure for starting trading suspension and termination of trading in financial instruments listed on the First North. The Rules set out the procedure for trading and settlements in the financial instruments listed on the First North market as well as the procedure for surveillance by the Exchange of the compliance with the provisions hereof in order to ensure safe and uninterrupted trading in financial instruments on the First North.
- 1.3. The Exchange has developed and shall apply these Rules to ensure that the operation of the First North complies with the requirements of the Law on the Financial Instruments Market (hereinafter – the Law) and with other regulatory acts which regulate the financial instruments market.
- 1.4. The Rules and amendments thereto shall be approved by the Management Board of the Exchange. The Exchange shall have the right to amend the Rules unilaterally upon due notification thereon to Issuers and Certified Consultants. The Rules and amendments thereto shall enter into force not sooner than on the next day following the publication thereof on the website of the Exchange, unless a later date of entering into force is specified in the approval decision.
- 1.5. The Management Board of the Exchange shall have the right to develop recommendations and issue instructions with the purpose to explain the Rules or to ensure the application thereof.

2. *Definitions Used in the Rules*

2.1. Definitions used in these Rules:

- 2.1.1. **First North** – a multilateral trading facility developed and operated by the Exchange, but which is not a regulated market for the purposes of the Law and other legal acts.

As First North is also a joint name for the multilateral trading facilities managed by Nasdaq Nordic market operators (in Sweden, Finland, Denmark, Iceland) and Baltic market operators (in Estonia, Latvia, Lithuania), these other multilateral trading facilities are hereinafter referred to as „other First North markets“.

- 2.1.2. **Issuer** - a legal entity (enterprise) which applies its financial instruments for admission to trading or whose financial instruments are admitted to trading on the First North.
- 2.1.3. **Admission to trading** - the listing of financial instruments on the First North and trading in them on the Trading System of the Exchange.
- 2.1.4. **Certified Adviser** – a legal entity that complies with the requirements set forth in these Rules and has concluded an agreement with the Exchange on servicing of Issuers and operating as a Certified Adviser on the First North.
- 2.1.5. **Material transactions** – agreements, patents and other transactions the volume of which is or exceeds 10 per cent of the Issuer’s equity or total nominal value of financial instruments admitted to trading (higher of these are considered).
- 2.1.6. **Baltic Exchange** – Nasdaq Riga, Nasdaq Tallinn and Nasdaq Vilnius (separately also referred to as Baltic Exchange)
- 2.1.7. **Trading system of the Exchange** – electronic system used by the Exchange for enabling trading with securities.
- 2.1.8. **Market Abuse Regulation or MAR** - Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

- 2.2. Terms not explained herein shall have the meaning defined in the Law, other regulatory acts that regulate the financial instruments market and other rules of the Exchange.

II Admission Requirements

3. Requirements for Issuers

- 3.1. The Issuer has to be registered and its activities shall be in compliance with the laws and other legal acts of its country of registration, its Articles of Association and these Rules.
- 3.2. The Issuer shall comply with these Rules, with the requirements of the Law as to the procedure for public offering of financial instruments in Latvia, and with the directly applicable legal acts of the European Union binding to the issuers which financial instruments are applied for trading and are traded on the multilateral trading system (hereinafter - Binding Legal Acts).
- 3.3. The Exchange has the right not to admit to trading the financial instruments of an Issuer which liquidation proceedings or insolvency or bankruptcy procedure or a suspension of operation has been initiated or there are reasonable doubts about the Issuer's ability to continue its commercial activity or Issuer has had permanent solvency problems during the time period before the application for the admission to trading of the financial instruments on the First North (hereinafter – the Listing Application) has been submitted or on the day when the Listing Application is submitted.
- 3.4. The economic, legal or other situation or activity of the Issuer shall not jeopardise the interests of the investors and fair and equal treatment thereof.
- 3.5. Prior to submission of the Listing Application to the Exchange, the Issuer, taking into account the exemptions mentioned in the Clause 3.6 of the Rules, shall be obliged to conclude an agreement with a Certified Adviser with which the Exchange has concluded an agreement on the provision of services of a Certified Adviser to Issuers. In case the Issuer applies for admission to trading on the First North of debt securities, 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.

The requirements for Certified Advisers are set out under Chapter V hereof. If the Exchange terminates the agreement with the Certified Adviser of the Issuer, the Issuer shall conclude a new agreement with another Certified Adviser within two (2) months counting from the day on which the Exchange has terminated the agreement with the Certified Adviser of the Issuer.

- 3.6. The Issuer which applies for admission to trading on First North shares, is exempted from requirement to have an agreement with Certified Adviser, if the shares of the Issuer are already listed on regulated market registered in the member state of European Union or European Economic Area (hereinafter – EU or EEA regulated market). The Issuer which applies for admission to trading on the First North debt securities, is exempted from requirement to have an agreement with Certified Adviser, if the shares of the Issuer are already listed or admitted to trading on EU or EEA regulated market or on other multilateral trading facility.
- 3.7. The Issuer shall comply with the requirements on the disclosure of information as specified in these Rules after its financial instruments have been admitted to trading on the First North market.

4. Requirements for Financial Instruments

- 4.1. All types of financial instruments permitted by legal acts may be admitted to trading on the First North, taking into consideration the additional requirements set forth in these Rules.
- 4.2. No quantity requirements or restrictions shall apply to the financial instruments admitted to trading on the First North.
- 4.3. The financial instruments submitted for admission to trading on the First North shall be freely transferable and the transfer right or the acquisition right or the right of pledging of the financial instruments may not be restricted under the Articles of Association of the Issuer.
- 4.4. The financial instruments submitted for admission to trading on the First North shall conform to the provisions of laws and other regulatory acts, these Rules and other rules of the Exchange, and they shall be issued in accordance with the applicable legislation and the Articles of Association of the Issuer.
- 4.5. Only dematerialised financial instruments may be submitted for admission to trading.
- 4.6. The financial instruments applied for admission and trading shall be book-entered with the central securities depository Nasdaq CSD SE or following the consent of the Exchange with another foreign central depository or similar institution (hereinafter – the Depository).

- 4.7. All financial instruments of the same type and category shall be applied for trading on the First North. If following the admission to trading of financial instruments on the First North additional financial instruments of the same type and category are issued, the Issuer shall submit a Listing Application on the newly issued financial instruments in compliance with these Rules.
- 4.8. If the Issuer applies for admission to trading on the First North shares the initial placement of which is not finished and the increase in equity has not been yet registered with the Commercial Register, the Exchange shall commence trading in them on the First North only following the registration of the increase in equity with the Commercial Register.
- 4.9. Financial instruments traded on the First North, according to the type thereof, shall be traded in individual segments of the market of the Exchange.

III Admission to Trading

5. Application for Admission to Trading

- 5.1. The Issuer which wants to apply for admission to trading on First North shall submit the following documents to the Exchange:
 - 5.1.1. The Listing Application shall be submitted in the form established by the Exchange and contain all the information required by the Exchange;
 - 5.1.2. a certified copy of the Issuer's registration certificate or a similar document which certifies the legal status of the Issuer (fact of registration);
 - 5.1.3. a certified copy of the Articles of Association of the Issuer;
 - 5.1.4. a copy of the decision of the Issuer's competent body on applying for admission to trading (extract from the meeting minutes);
 - 5.1.5. an issue prospectus, a prospectus or a proposal document (hereinafter – the Prospectus) drafted and registered in accordance with the requirements of the Law, or a company description, prepared in accordance with the requirements set forth in the Clause 6 (hereinafter – Company Description), if the Issuer in accordance with the Law does not have the obligation to prepare the Prospectus;
 - 5.1.6. The Issuer shall publish audited annual reports and audited consolidated annual reports, if issuer was obligated to prepare consolidated annual reports, for at least two years in accordance with the accounting laws applicable in the Issuer's home country or in accordance with the International Financial Reporting Standards.
 - 5.1.7. A report of the Management Board of the Issuer on the business plans of the Issuer in the current and at least next reporting period. The report shall not be submitted if the relevant information is disclosed in the Prospectus or the Company Description;
 - 5.1.8. an agreement with a Certified Adviser or an extract from the agreement where the obligations of the Issuer and the Certified Adviser are specified in accordance with the requirements set for Issuers and Certified Advisers herein.
 - 5.1.9. a confirmation in writing that the issuer will comply with the requirements set forth in these Rules.
- 5.2. The Issuer, whose shares are traded on EU or EEA regulated market, is not required to submit documents stipulated in the Clauses 5.1.2.-5.1.3. and 5.1.5.-5.1.9., provided that the documents are submitted to the Exchange before or they are publicly available and the information is in English at least.
- 5.3. The annual reports and consolidated reports mentioned in the Clause 5.1.6. shall not be submitted by:
 - 5.3.1. the Issuer who applies for admission to trading debt securities solely and the nominal value of the debt security is not less than 100 000 EUR or an equivalent amount in another currency;
 - 5.3.2. the Issuer who applies for admission to trading solely debt securities, which are fully guaranteed and where the guarantor has published its audited annual reports and audited consolidated annual reports, if he was obligated to prepare consolidated annual reports, for at least two years in accordance with the accounting laws applicable in the guarantor's home country and provided that financial reports are publicly available and referred to in the Listing Application.

5.4. Considering the specific circumstances, the Management Board of the Exchange has the right to make exemptions and decide that the submission of some of the documents listed in the Clauses 5.1.2 -5.1.8. are not necessary for making an Admission Decision.

6. Preparation of Company Description

6.1. The Issuer shall prepare the Company Description in cooperation with the Certified Adviser.

6.2. The following information as minimum shall be provided in the Company Description:

- 6.2.1. a description of the Issuer's economic activity, including its business model, organization, competitive situation, most significant markets, most significant risk factors and the reasons for the decision to apply for admission to trading and, in the case of public offering, the description of use of intended net income received from selling of the financial instruments;
- 6.2.2. a description of the direct and indirect ownership structure (specifying shareholders that hold 5% and more of the Issuers voting capital) and any direct or indirect, (i.e. through controlled and connected persons) shareholdings in the Issuer held by members of the Management Board, Supervisory Board of the Issuer, other officials and the Certified Adviser;
- 6.2.3. first names and surnames and a brief biography of members of the Issuer's Management Board and Supervisory Board;
- 6.2.4. name and registration number of the Certified Adviser, main fields of activity, names of representatives who will provide Advisory services to Issuer, and the expected duration of the agreement with Certified Adviser;
- 6.2.5. on the financial instruments applied for admission to trading on the First North (hereinafter – Securities Note):
 - 1) the total number, type, category and nominal value and currency of the financial instruments, the rights attached to the financial instruments and the procedure for alienation of the financial instruments;
 - 2) information about most significant risk factors, the reasons for the decision to apply for admission to trading;
 - 3) if financial instruments are applied for admission to trading on the First North and they are issued simultaneously with the admission to trading thereof on the First North, the offering and subscription procedure, payment procedure and any other information connected with the issue required for the admission to trading of the financial instruments on the First North shall be provided;
 - 4) if debt securities are applied for admission to trading on the First North the additional information shall be provided: information about arranger and paying agent, sale/initial price, interest rate (calculation principles in case of variable rate), interest rate payment frequency, , maturity date, redemption terms, if applicable (incl. early redemption, put or call options, redemption price), information about guarantee and guarantor, description about assets backing the debt securities, if applicable, and investor rights if the Issuer breaches obligations coming from issuing these bonds.
- 6.2.6. on the Issuer's capital: total equity; if the share Issuer has several categories of shares, the following shall be specified per every category: the number of issued, fully and partially paid shares, nominal value per share and the rights arising from each share category;
- 6.2.7. information on any ongoing legal proceedings or any historical legal proceedings from the previous reporting periods against the Issuer, any insolvency applications (even if they were found to be ungrounded), insolvency proceedings or legal protection proceedings, if such has been initiated or has ended during the last year, , , as well as any legal proceedings in connection with fraud or other economic violations in which Management board members or Supervisory board members or other officials of the Issuer have been involved if such events have occurred during the last three years or are still occurring;
- 6.2.8. a description of material transactions of the Issuer, providing specific information on the material transactions with shareholders (or participants) of the Issuer who have a qualifying holding, with the members of Management board and Supervisory board and other managers of the Issuer and also

- their closely associated persons ;
- 6.2.9. a description of any share-based incentive programmes, extraordinary bonus programmes or similar programmes, including the market value of such programmes, if applicable;
- 6.2.10. information on the planned further operation, specifying the planned financial results and the justification thereof;
- 6.2.11. any other substantial information that in any way might influence decisions of investors on buying or selling the financial instruments of the Issuer or influence their price.
- 6.3. The Issuer who applies for admission to trading debt securities and whose financial instruments are already traded on EU or EEA regulated market, other First North or an equivalent recognized market place is allowed to prepare and submit solely Securities Note, provided that information required in the Clause 6.2. of the Rules is publicly available, at least in English, and referred to in Securities Note.
- 6.4. The Issuer's Management Board shall be responsible for the information provided in the Company's Description and Securities Note. The Company Description or Securities Note shall contain a statement by the Management Board of the Issuer on the truthfulness of the information provided therein.
- 6.5. If, pursuant to the Law, the Prospectus is to be prepared and published after the Company Description or Securities Note has been submitted to Exchange, the Prospectus shall replace the Company Description or Securities Note.

7. Publication of Prospectus, Company Description or Securities Note and Financial Reports

- 7.1. The Exchange shall publish the Prospectus, Company Description or Securities Note and financial reports that have been submitted to it in accordance with the Clause 5.1.6 hereof after the Management Board of the Exchange has passed the decision on admission to trading of the financial instruments, however, not later than three (3) business days before the day when trading in the relevant financial instruments is commenced.
- 7.2. Following the submission of the Application for admission to trading to the Exchange, the Issuer shall have the obligation to inform the Exchange without delay about any circumstances that have occurred during the Admission Procedure or examination of the Application if such circumstances may affect the price of the financial instruments applied for trading and/or decisions of investors about performing transactions in them.
- 7.3. The Issuer shall have the obligation to inform the Exchange without delay about any circumstances that have occurred during the period between publishing the Prospectus, Company Description or Securities Note and the admission of the financial instruments to trading on the First North if these circumstances may affect the price of the applied financial instruments and/or decisions of investors on transactions in them. The Issuer shall be obliged to describe all such events in an annex and to submit the said annex to the Exchange in accordance with the procedure set out herein.
- 7.4. The Exchange shall publish without delay the information received from the Issuer in the cases referred to under the Clauses 7.2. and 7.3. hereof on the website of the Exchange.

8. Admission Procedure

- 8.1. The purpose of the Admission Procedure is to determine the suitability of the financial instruments and their Issuer for trading on the First North.
- 8.2. The decision on admission of financial instruments to trading on the First North shall be taken by the Management Board of the Exchange.
- 8.3. The Admission Procedure shall start when the Issuer has submitted to the Exchange the Listing Application and all the relevant documents in accordance with the Chapter 5 of these Rules.
- 8.4. The Exchange shall have the right to disclose the fact of initiating the Admission Procedure on the website of the Exchange.
- 8.5. The Exchange has the right to demand that the Issuer complies, either partially or fully, with the provisions of these Rules already during the Admission Procedure.
- 8.6. The Admission Procedure shall be terminated:
- 8.6.1. if a decision to admit the financial instruments to trading has been taken;

- 8.6.2. if a decision to refuse the admission of the financial instruments to trading has been taken; or
- 8.6.3. if the Issuer has withdrawn the Application for admission to trading.

9. Decision on Admission or Refusal of Admission to Trading

- 9.1. The Exchange shall take a decision on admission of financial instruments to trading on the First North or on a refusal to admit them to trading on the First North within three (3) months' time following the initiation of the Admission Procedure, unless stipulated otherwise in the Law. If the Exchange requires from the Issuer or the Certified Adviser additional information or supplementary documents in the course of the Admission Procedure, the Management Board of the Exchange shall take the decision on admission of financial instruments to trading or on a refusal to admit them to trading on the First North (hereinafter - the Decision) within three (3) months following the submission of all the requested information and documents, but not later than within six (6) months following the initiation of the Admission Procedure.
- 9.2. Unless stipulated otherwise in the decision of the Management Board of the Exchange, the first trading day of the financial instruments on the First North shall be the sixth (6th) trading day following the adoption of the Decision on admission of the relevant financial instruments to trading (including).
- 9.3. The Management Board of the Exchange shall have the right to refuse to admit Issuer's financial instruments to trading on the First North if the Issuer's financial position, market position, client or shareholder structure, growth potential, field of operation, economic activities, management, reputation, future plans and other significant matters in the opinion of the Management Board of the Exchange would harm interests of investors or hinder safe and uninterrupted operation of the First North.
- 9.4. The Exchange shall send to the Issuer a notification on the decision to admit its financial instruments on the First North or a refusal thereof without delay. The Exchange shall have the right to publish information on its decision on the website of the Exchange.
- 9.5. If the Management Board of the Exchange has refused to admit Issuer's financial instruments to trading on the First North, the written notification thereon shall also include the reasons for the refusal.

10. Agreement on Admission of Financial Instruments to Trading

Within five (5) business days following the Decision on admission, the Issuer, if its financial instruments are admitted to trading on the First North for the first time, shall be obliged to conclude a written agreement with the Exchange on admission to and trading of the financial instruments on the First North (hereinafter – the Trading Agreement), which stipulates the obligation of the Issuer to comply with the rules. The Exchange shall not commence trading in the Issuer's financial instruments unless the said agreement has been concluded.

IV Suspension and Termination of Trading

11. Suspension of Trading upon Issuer's Initiative

- 11.1. The Issuer shall have the right to submit to the Exchange a written application on suspension of trading in the financial instruments issued by it for the time of the Issuer's shareholders meeting or a press conference at which it is planned to take any decisions or announce any information that may have a significant effect on the price of the relevant financial instruments. In the cases specified herein, the Exchange suspends trading in the Issuer's financial instruments from the beginning of such event until the taken decisions or other important information is made public.
- 11.2. In the application, the Issuer should specify in detail the reason for the suspension of trading and the planned duration and conditions of suspension of trading.
- 11.3. The decision on suspension of trading shall be taken by the Management Board of the Exchange, specifying in it the duration of suspension and the conditions on the basis on which the decision has been taken. Information on the decision taken by the Management Board shall be published in accordance with the procedure set forth in the Clause 12.3.

12. Suspension of Trading upon Exchange's Initiative

- 12.1. In extraordinary circumstances, the Exchange may suspend trading in the Issuer's financial instruments in order to protect the interests of investors. For the purposes of this Clause, extraordinary circumstances shall mean high price volatility of the Issuer's financial instruments, the existence of information that may have a significant impact on the price of the Issuer's financial instruments, but which has not yet been

publicly announced and which is due to be published in the near future, as well as other situations, circumstances or conditions that may prevent fair and transparent trading.

- 12.2. The Management Board of the Exchange shall resume trading in relevant financial instruments as soon as the circumstances on which the suspension decision was based are eliminated or ceased to exist.
- 12.3. The Exchange shall inform without delay the Issuer on the decision to suspend or resume trading in its financial instruments. The Exchange shall without delay publish the decision to suspend or resume trading in the Issuer's financial instruments also on the website of the Exchange.
- 12.4. As a rule, suspension of trading may not last longer than six (6) months. If suspension of trading has lasted longer than 6 months and the Issuer has not taken measures to eliminate the circumstances on which the suspension was based or if the measures taken by the Issuer have not eliminated these circumstances, the Management Board of Exchange may decide on termination of trading in the Issuer's financial instruments.

13. Termination of Trading upon Issuer's Initiative

- 13.1. The Issuer shall have the right to request the Exchange to terminate trading in its shares on the First North only if the Issuer's shareholders' meeting has taken a decision to terminate the trading with the Issuer's financial instruments on the First North. If the Issuer is planning to include the decision on termination of trading of its financial instruments on the First North on the agenda of its shareholders meeting, the Issuer shall be obliged to publish this information immediately in accordance with the procedure set forth herein.
- 13.2. The Exchange shall commence examining the matter of termination of trading of the Issuer's shares on the First North following the receipt of a written application, to which an extract on the vote of the shareholders on this matter from the minutes of the shareholders meeting should be appended, from the Issuer.
- 13.3. If debt securities admitted to trading on the First North are redeemed at maturity specified in the Prospectus or the Company Description or the Securities Notes, or the Issuer has exercised the call option specified in the Prospectus or the Company Description or the Securities Notes, the trading of such debt securities on the First North shall be terminated by redemption date. The Exchange shall suspend the trading of such securities on the third (3) business day before the Record date at the end of the Trading Hours. For the purpose of this article business days are understood as days when in accordance with the depository rules where such debt securities are initially recorded the settlement takes place.

For redemption of debt securities the Record date shall be set one (1) business day before the payment date (redemption/maturity date) unless in the Prospectus or the Company Description or the Securities Notes specify an earlier date.
- 13.4. The Issuer shall have the right to request the Exchange to terminate trading in its debt securities before maturity only if such right is provided in the Prospectus, the Company Description or the Securities Note, or the Issuer has bought back all debt securities that were admitted to trading on the First North.
- 13.5. The Management Board of the Exchange shall have the right to decline the application if it finds that the termination of trading would materially harm (jeopardise) the interests of investors or give a part of the financial instruments owners an unfair advantage over other financial instruments owners or allow for unfair profit for a part of the financial instruments owners on account of other owners.
- 13.6. The Management Board of the Exchange shall take the decision on the approval or rejection of the application on termination of trading within twenty (20) business days of the receipt of the relevant application. If the Exchange requests additional information from the Issuer in the course of processing the application, or if a check-up case has been initiated against the Issuer in relation to violations of these Rules, or if some other significant circumstances related to the Issuer have occurred, the Management Board of the Exchange shall make the decision within sixty (60) business days following the receipt of all the additional information from the Issuer or the closing of the check-up case or disclosure of other significant circumstances related to the Issuer, however not later than within sixty (60) business days following the receipt of the application on termination of trading.

V Certified Advisers

14. Requirements for Certified Advisers

- 14.1. These Rules stipulate the minimum requirements which a person should comply with in order to be granted the status of a Certified Adviser on the First North. In addition to the said obligations, a Certified Adviser may be subject to other statutory or regulatory obligations in the jurisdiction in which it is registered and

operates.

- 14.2. The status of a Certified Adviser may be granted to a legal entity that is registered in the Republic of Latvia or any other EU or EEA Member State and that conforms to the requirements set out herein and has concluded an agreement on the provision of services of a Certified Adviser with the Exchange. For the purposes of these Rules the signed application form (set forth in the Clause 14.4.) together with an approval of the Exchange (set forth in the Clause 14.5.) will be deemed as the agreement.

The Management Board of the Exchange has the right to make an exception to the requirement for the country of registration for a Certified Adviser, if the legal entity applying for the status of a Certified Adviser has signed a letter of intent or an equivalent document on the provision of the services of a Certified Adviser to a legal entity which has decided to apply for the admission of its financial instruments to the First North market.

- 14.3. In order to be granted the status of a Certified Adviser on the First North, applicants should conform to the following minimum requirements:

14.3.1. be able to document at least two (2) years' experience in providing consultancy services regarding the capital structure and operation strategy of companies, acquisitions and sales of companies, organizing public offers or providing investment related services as well as having knowledge about the Baltic financial markets and its regulations;;

14.3.2. have at least two employees who have documented relevant experience in the sphere of financial consulting sufficient to be able to provide the services of a Certified Adviser (hereinafter - the Contact persons);

14.3.3. the employees referred to under Clause 14.3.2 hereof, prior to the examination of the application on granting the status of a Certified Adviser, not later than a year before shall have attended the seminar organised by the Baltic Exchange regarding functioning of the First North and other requirements for Certified Advisers and Issuers;

14.3.4. the applicant shall have developed and approved internal rules regarding the procedure whereby the Certified Adviser and its employees perform transactions with financial instruments of the Issuers to which the Certified Adviser provides its services. The said internal rules shall contain the provision that those employees who are directly involved in the provision of services of the Certified Adviser to an Issuer may not trade in the financial instruments of that Issuer;

14.3.5. the applicant shall have developed and approved internal rules regarding the procedures and routines of treating confidential information and avoiding conflicts of interest;

14.3.6. the applicant shall have developed and approved internal regulations on safekeeping and managing of documents and information in relation to its Certified Adviser operations;

14.3.7. the applicant shall have provided the Exchange with a written confirmation to comply with the requirements set for Certified Advisers and fulfil the obligations of a Certified Adviser as set forth herein in good faith, adhering to the principles of good practices of the securities market, legality, fairness, transparency and irreproachableness in business;

14.3.8. the applicant may not hold more than 10% of shares or voting rights of the Issuers to which it serves a Certified Adviser;

14.3.9. persons representing Certified Adviser or employees of it shall not serve as members of Management Board or Supervisory Board or Audit committee, if such has been formed, or sworn auditor of the Issuer to which it serves as a Certified Adviser.

14.3.10. Members of Management Board and Supervisory Board, the Contact persons and other representatives of Certified Adviser who are involved in functions/tasks of the Certified Adviser shall have an impeccable reputation and shall notably not be convicted of an intentional offence or financial crime or subject to any limitation on the operating authorization and confirm it in a written form.

- 14.4. The application on granting of the status of a Certified Adviser shall be submitted to the Exchange in the form established by it and contain all the information and appendices requested by the Exchange.

- 14.5. The Management Board of the Exchange shall take the decision on granting the status of a Certified Adviser within fifteen (15) business days of the receipt of the application and all the required documents.

14.6. The Exchange shall publish the list of Certified Advisers on the website of the Exchange.

15. Obligations of Certified Advisers

15.1. Certified Advisers shall cooperate with the Exchange and make the best effort to ensure that Issuers fulfil the requirements under these Rules properly and in due time, including the obligation to disclose information in order to ensure the quality and transparency of trading as required on the First North.

15.2. Certified Advisers shall assist Issuers in the preparation of the Listing Application and during its submission process and make the best effort to ensure that the Issuer's documents and activities conform to the requirements of these Rules and to the requirements of Binding Legal Acts.

15.3. Certified Advisers shall provide the Exchange without delay with all and any information requested by the Exchange on their operation as a Certified Adviser, inter alia information on any connections with an Issuer (including information on holdings of the Certified Adviser in an Issuer's equity and on any other affiliations).

15.4. Certified Advisers shall put the best effort to avoid conflicts of interest that may arise or have arisen in providing the services of a Certified Adviser.

15.5. Certified Advisers shall ensure that no confidential or other undisclosed information on Issuers is disclosed, unless the disclosure or submission of such information is required by duly authorised persons pursuant to the regulatory acts.

15.6. Certified Advisers shall follow any Rules and the Binding Legal Acts amendments and inform the relevant Issuers thereon and ensure that the Issuers comply with the Rules and the Binding Legal Acts in their operation.

15.7. Certified Advisers shall be obliged to perform at least the following functions:

15.7.1. to ensure that, as of the submission of the Listing Application, the Issuer conforms to the requirements for Issuers and their financial instruments as set forth herein;

15.7.2. ensure that the Issuer signs the Trading Agreement, thus confirming that it undertakes to comply with the requirements of these Rules;

15.7.3. to ensure that the Prospectus, Company Description or Securities Note, as well as other documents, to be submitted in the course of the Admission Procedure are prepared and submitted to the Exchange in accordance with the requirements set out herein;

15.7.4. to control the Issuer on a regular basis and make the best effort in order to ensure that the Issuer and its financial instruments throughout the period of trading thereof on the First North conform to the requirements specified in the Rules and in the Binding Legal Acts;

15.7.5 to control on a regular basis and make the best effort to ensure that the Issuer complies with the requirements on disclosure of information as specified by the Rules and other requirements as specified by the Binding Legal Acts;

15.7.6. to inform the Exchange without delay on all and any violations found by the Certified Adviser of these Rules and of the Binding Legal Acts conducted by the Issuer, requesting, if necessary, explanations from the Issuer and submitting them to the Exchange without delay;

15.7.7. to ensure that during the agreement on the provision of services of a Certified Adviser at least one of the employees referred to under Clause 14.3.2 hereof is appointed as a contact person for communication with the Exchange and the Issuer to be able to provide the required information, documents or explanations;

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

16. Agreement by and between the Certified Adviser and the Issuer

16.1. The Certified Adviser and the Issuer to which it provides the services of a Certified Adviser shall conclude a written agreement. The agreement should stipulate at least the obligations of the Issuer and the Certified Adviser specified herein.

16.2. In the agreement, a detailed division of the duties and obligations between the Certified Adviser and the Issuer may be stipulated, but nevertheless both parties shall remain fully responsible for the compliance

with the requirements set forth herein.

- 16.3. The Certified Adviser shall give to the Issuer a three (3) months' notice of termination of the Agreement specified in Clause 16.1 hereof. The Issuer and the Certified Adviser shall inform the Exchange on their intention to terminate the Agreement without delay informing about the date on which it is planned to terminate the agreement. In the event of a breach of the Agreement or its termination due to a breach made by one of the parties, the notice of the one party to the other party shall be sent to the Exchange immediately.

17. Information to be provided to the Exchange by Certified Advisers

- 17.1. The Certified Adviser shall submit to the Exchange the statement of ownership in those Issuers to which it provides the services of a Certified Adviser. The initial statement of ownership shall be submitted to the Exchange not later than one business day before the day on which the shares of the respective Issuer are started to trade. In case there have been any changes in the ownership amount, if compared to the initial or previously submitted statement, the Certified Adviser shall submit updated statement of ownership to the Exchange immediately.
- 17.2. The Certified Adviser shall immediately notify the Exchange on:
- 17.2.1. any changes in members of Management Board and Supervisory Board, the Contact persons and other representatives of Certified Adviser who are involved in functions/tasks of the Certified Adviser;
 - 17.2.2. any circumstances that might give rise to concern regarding the independence of the Certified Adviser or any conflict of interest vis-à-vis the Issuer.
 - 17.2.3. any material information on any ongoing pre-trial investigations or any legal proceedings against the Certified Adviser, which might affect its ability to provide the function as 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 Management Board or Supervisory Board, the Contact persons or other representatives of Certified Adviser who are involved in functions/tasks of the Certified Adviser are involved.
 - 17.2.4. any other changes or events that might jeopardize fulfilment of the functions of a Certified Adviser or compliance with the Rules;
- The Certified Adviser shall report the information stated in the clauses 17.2.1-17.2.4. to the Exchange in the form established by Exchange.
- 17.3. The Certified Adviser shall notify the Exchange immediately on any circumstances that might necessitate a suspension of trading in the financial instruments of the Issuer, if the Certified Adviser is aware of such circumstances.

18. Surveillance of Certified Advisers

- 18.1. The Exchange has the right to control the operations of Certified Advisers to make sure that they completely comply with the requirements set out herein. The Exchange shall have the right to request from Certified Advisers any information and documents on their operation and obligations in the status of a Certified Adviser or any other information that is needed for supervision activities, including information on an Issuer the Certified Adviser possess. Certified Adviser shall be obliged to provide the Exchange with immediate access to all the information and documents that the Exchange deems necessary in order to assess the compliance of the Certified Adviser to these Rules.
- 18.2. In respect to the information received from the Certified Adviser the Exchange shall comply with the rules of confidentiality and not disclose any information obtained during the performed surveillance activities to unauthorised persons, unless it is required under the law.

VI Disclosure of Information

19. Information to be disclosed

- 19.1. The Issuer shall have the obligation to disclose the regularly disclosable information defined by these Rules in accordance with the procedure and within the time limits specified in these Rules.
- 19.2. The Issuer shall have the obligation to publish the Inside information in accordance with the requirements of MAR.
- 19.3. Meaning of Inside information and the persons that are regarded to be Insiders, as well as persons

discharging managerial responsibilities and persons closely associated with them are understood as set out in accordance to MAR.

- 19.4. When publishing the Inside information in accordance with the Legislations, the Issuer shall be obliged to simultaneously disclose the same information to the Exchange in accordance with these Rules.
- 19.5. The Exchange shall have the right to demand and the Issuer has an obligation to provide to the Exchange any information that in the opinion of the Exchange is of significance for the protection of the rights of investors.

20. Issuer's disclosure obligations

- 20.1. The Issuer shall have the obligation to carefully examine, on a regular basis, all developments and changes in the economic activity of the Issuer in order to evaluate what information in compliance with MAR and these Rules is to be disclosed immediately.
- 20.2. The information disclosed by the Issuer shall be accurate, precise, exact and unambiguous, its contents may not be misleading, and it shall include everything that may affect the subject matter or significance of the information. If the information already disclosed by the Issuer is being altered, the Issuer shall submit without delay a notice about the alterations to the Exchange.
- 20.3. The Certified Adviser has the right to examine and/or approve the information prepared by the Issuer before it is disclosed. The Certified Adviser shall make the best effort to ensure that the information provided by the Issuer complies with its disclosure requirements. The Certified Adviser shall not be directly responsible for the contents of the information to be disclosed unless it holds complete and clear data thereon.
- 20.4. The Issuer may not disclose previously undisclosed information which may affect the price of the listed securities in reports, commentaries, and interviews or in any other way until such information is properly disclosed in accordance with the Legislations and in accordance to these Rules.
- 20.5. If the Issuer learns that the information to be disclosed has been accessible to unauthorized persons before public disclosing thereof, the Issuer shall without delay disclose such information in accordance with the Legislations and these Rules.
- 20.6. If the circumstances referred to in Clause 20.5. hereof have occurred and the Issuer needs additional time to prepare the information to be disclosed, the Issuer shall without delay notify the Exchange about the Issuer's intention to disclose such information shortly, describing in the notification briefly the event due to which it is planned to disclose the information. If the Exchange considers that the relevant information may cause significant fluctuations in the price of the financial instruments of the Issuer, the Exchange may temporarily suspend trading in the relevant financial instruments until the Issuer discloses the particular information to a full extent. The Issuer has the right to request such suspension of trading.

21. Procedure of Disclosure of Information

- 21.1. The Issuer shall be obliged to disclose information to the Exchange electronically in compliance with the procedure established by the Exchange Management board.
- 21.2. When sending information to the Exchange, the Issuer shall send it also to its Certified Adviser if Issuer has the Certified Adviser after financial instruments have been admitted to trading.
- 21.3. The Exchange ensures that all Issuer's information sent to the Exchange is publicly available to financial market participants on the website of the Exchange.
- 21.4. If the Issuer discloses information also by means of any other information disclosure channels, it shall provide this information also to the Exchange prior to or simultaneously with disclosing it by means of other information disclosure channels.
- 21.5. All announcements and financial reports of the Issuer shall be disclosed in Latvian or in English.
- 21.6. For the communication with the Exchange, the Issuer shall appoint a contact person who is able to provide commentaries, information and explanations on the operation of the Issuer or the disclosed information. The Issuer may agree with the Certified Adviser that the said duty is performed by the Contact person of the Certified Issuer, ensuring that he/she receives all the information and documents required to prepare the information to be provided in due time and manner. The Issuer shall notify the Exchange and the Certified Adviser without delay on the change of the said contact person.

22. Financial Reports and Forecasts of Financial Results

22.1. Preparing of Reports

- 22.1.1. The Issuer shall prepare financial reports according to the accounting standards of the Issuer's country of registration or the International Financial Reporting Standards (IFRS), including in its financial reports also the information specified herein.
- 22.1.2. The Issuer shall have the obligation to provide financial reports in the form of a comparable table, comparing the data in accordance with the requirements of the accounting or financial reporting standards it uses in making financial reports.
- 22.1.3. If the Issuer changes the accounting methods used in the preparation of financial reports, the Issuer shall comment these changes in the notes to the reports, indicating the reasons for the changes and their impact on the result of the current period and the previous period used for comparing.
- 22.1.4. If the annual report or the consolidated annual report, if issuer was obligated to prepare consolidated annual report, approved by the shareholders meeting is different from the report sent to the Exchange and published on its website, the Issuer shall send it to the Exchange as soon as possible following the approval thereof by the shareholders meeting.

22.2. Annual Reports

The Issuer shall submit to the Exchange the audited and by the shareholders meeting approved annual report not later than on the day on which, in accordance with the regulatory acts of the registration country of the Issuer, the annual report is to be audited and/or approved. If, in accordance to the regulatory acts or standards according to which the annual report is prepared, the consolidated annual report has to be prepared, the Issuer is obliged to prepare and submit the consolidated annual report together with the statement of a sworn auditor as well.

22.3. Interim Report

- 22.3.1. The Issuer is obliged to submit interim report for the first 6 months of the financial year (hereinafter- Financial Report).
- 22.3.2. The Financial Report as a whole consists of the balance sheet, profit or loss statement, cash flow statement, statement of changes in equity, notes and the management's report on the Issuer's economic activity. If, in accordance to the regulatory acts or standards according to which the annual report is prepared, the consolidated annual report has to be prepared, the Issuer is obliged to prepare the interim report for 6 months in the consolidated form.
- 22.3.3. If the financial report has been audited by a sworn auditor who has prepared a statement on it, the Issuer shall append the statement of the sworn auditor to the respective financial report.
- 22.3.4. The Issuer shall have the obligation to disclose without delay the financial report after its approval by its Management Board, however, not later than within three (3) months of the end of the relevant reporting period.
- 22.3.5. The information provided in financial reports shall be sufficiently detailed to ensure a clear view on the operational and financial results of the Issuer in the relevant reporting period.
- 22.3.6. 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.

22.4. Forecasts of Financial Results

- 22.4.1. If the Issuer forecasts and publishes its financial results for the next reporting period or periods, the Issuer shall provide a description of the circumstances and assumptions on which the forecasts are based.
- 22.4.2. If after publicising the Issuer's forecasts of financial results the Issuer establishes or there is a reason to consider that the forecasts would differ from the actual financial results of the relevant period for more than 10%, the Issuer shall immediately disclose to the Exchange the information about the current situation and explain the causes of such deviations of the forecasts.

23. Changes in Issuer's Business or Management

- 23.1. The Issuer shall have the obligation to immediately disclose information on changes in the composition of its Management Board or Supervisory Board, change of its sworn auditor or Certified Adviser, and when signed or terminated an agreements with a market maker.
- 23.2. The Issuer shall disclose without delay all and any circumstances and events that have materially affected or might materially affect the Issuer's business or financial standing. The said circumstances and events are, for example:
- 23.2.1. a conclusion, breach or cancellation of agreements significant for the Issuer, material violations of agreements permitted by the Issuer or against the Issuer;
 - 23.2.2. entering or loosing markets for new products or services;
 - 23.2.3. the initiation of reorganisation of the Issuer, or proposals to the Issuer on takeover, Issuer's opinion on the affect of the reorganisation or the takeover proposal on further economic activity of the Issuer;
- 23.2.4. a change of the Issuer's business field.
- 23.3. The Issuer shall be obliged to disclose information on material transactions, including in it the following:
- 23.3.1. a description of the transaction and its influence on the business and financial results of the Issuer;
 - 23.3.2. the amount payable or receivable in the result of the transaction, including amounts receivable or payable in the next periods.

24. Shareholders and Bondholders Meeting

- 24.1. The Issuer whose shares are admitted to trading on the First North has the obligation to disclose without delay the information about the decision to call a shareholders meeting, its date, place, the agenda of the meeting, Record date and other circumstances of the meeting and the procedure by which shareholders can participate and vote in the shareholders' meeting. If an extraordinary shareholders meeting is called, the Issuer shall provide also the reasons for and the initiators of the extraordinary shareholders meeting.
- 24.2. The share Issuer shall disclose without delay the information about a decision of the Management Board or Supervisory Board of the Issuer to propose to the shareholders meeting a payment of dividends.
- 24.3. If the proposal to pay dividends is planned, the share Issuer shall specify in the disclosed information at least the Record date and the planned amount of dividend per share.
- 24.4. The issuer whose debt securities are admitted to trading on the First North has the obligation to disclose without delay the information about the decision to call a bondholders meeting, its date, place, the agenda of the meeting and other circumstances and the procedure by which bondholders can participate and vote in the bondholders meeting.
- 24.5. The Issuer shall without delay after the shareholders or bondholders meeting, disclose all decisions adopted by the meeting.
- 24.6. Together with the announcement about the resolution to pay dividends adopted by the shareholders meeting, the Issuer shall submit at least the following information:
- 1) the confirmed Record date
 - 2) the amount of dividend to be paid per share;
 - 3) the dividend payment date.
- 24.7. The Issuer shall disclose the Record Date not later than nine (9) days prior to this date. The Issuer may not set the Record Date sooner than ten (10) business days after the day when the Issuer's approved management body has taken a decision on transfer, creating or termination of the rights attached to the securities (as redemption, dividend payment, change of nominal value). In the interpretation of these Rules, the "rights attached to securities" are any rights the holders of the relevant securities are made eligible to pursuant to the provisions of regulatory acts or the issue rules for the securities in question. 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.
- 24.8. The share issuer shall announce the date (hereinafter Ex-date) on which the shares which are subject of particular corporate action are traded without the benefit rights attached to it e.g. the shares acquired

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. The Ex-date should precede the Record date of particular corporate action by one settlement cycle minus one business day. Provided that the Exchange standard settlement cycle is T+2, the Ex-date is the previous business day before the related Record date. 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.

25. Changes in Equity

The requirements of this section apply only to those Issuers which shares are admitted to trading on First North Market.

- 25.1. The Issuer shall disclose without delay the information about a decision of its Management Board or Supervisory Board to propose to the shareholders meeting a change in equity.
- 25.2. If the equity is increased by issuing new shares, in addition to the information required in the Commercial Law, the following information shall be included in the rules of equity increase:
 - 25.2.1. the Record date, in order to determine the shareholders which have pre-emptive rights to the shares of the new issue, if such pre-emptive right has been stipulated in accordance with regulatory acts, Issuer's Articles of Association or the rules of equity increase. The Record date shall be set in accordance to the Clause 24.7.;
 - 25.2.2. information about the financial year as from which the newly issued shares benefit from profit distribution;
 - 25.2.3. if a placement agreement has been signed or is to be signed with a provider of investment services on primary placement of the shares (full underwriting or best efforts basis), a description of the key provisions of the agreement;
 - 25.2.4. the date of payment for the subscribed shares;
 - 25.2.5. a description of the solutions of possible under subscription or oversubscription.
- 25.3. Following a decision on equity increase by the shareholders meeting, the Issuer shall submit the rules of equity increase to the Exchange or, if necessary, the Prospectus or the Company Description. The Issuer shall submit the said documents not later than the next business day following the approval or the registration thereof with the relevant Issuer's or government institution.
- 25.4. If in accordance with these Rules or the rules of equity increase it is planned to list the newly issued shares on the First North, the Exchange, following the receipt of the Application for admission to trading and other required documents from the Issuer, shall commence the Admission Procedure.
- 25.5. If the equity is reduced, in addition to the information required in the Commercial Law, the following information shall be included in the rules of equity decrease:
 - 25.5.1. the Record date as of which the shareholders which/who will take part in the reduction of the share capital. The Record date shall be set in accordance to the Clause 24.7.;
 - 25.5.2. if the share capital is reduced by cancelling issued shares, the number of shares to be cancelled and a description of the principles of calculation.
- 25.6. Following the decision on equity reduction taken by the Issuer's shareholders meeting, the Issuer shall publicise the decision in accordance with the procedure set out herein together with the rules of equity reduction.

26. Listing on a Regulated Market or another Multilateral Trading Facility

The Issuer shall have the obligation to disclose information about its intention to seek for admission to trading of its financial instruments on another multilateral trading facility (hereafter - MTF) or a regulated market, about the approval or rejection of such application, and also about listing or delisting of its financial instruments on/from another MTF or a regulated market. Simultaneously with the disclosure of such information, the Issuer shall disclose whether its financial instruments after admission to another MTF or regulated market will remain on the First North market.

VII Trading Rules

27. General Provisions

Transactions with financial instruments admitted to trading on the First North shall be concluded within the Trading System of the Exchange. The procedure of transactions with financial instruments admitted to trading on the First North and the payment therefor shall be the same as the procedure of trading and settlements on the Regulated Market organized by Exchange in accordance with the Exchange Member Rules and in accordance with the respective depository rules on settlements, unless a different procedure is set forth herein in relation to a particular operation.

28. Publication of Trading Rules

The Exchange Member Rules are available on the website of the Exchange.

29. Access to the First North Market

Transactions on behalf of investors or on behalf of itself within the Trading System of the Exchange in financial instruments admitted to trading on First North may be performed only by entities which have obtained the Exchange member status in accordance with the Exchange Member Rules.

30. Trading Hours

The trading hours are specified on the website of the Exchange.

VIII Surveillance

31. General Provisions

For the purposes of these Rules, the term "Surveillance" shall mean the surveillance exercised by the Exchange over the Issuers and Certified Advisers in compliance with the provisions of these Rules.

32. Obligations and Rights of the Exchange in Performing surveillance

- 32.1. The Exchange, within its competence, shall perform day-to-day surveillance over the operation and activities of Issuers and their compliance with the requirements hereunder and decisions, instructions and recommendations of the Exchange.
- 32.2. In performing its obligations, the Exchange shall have the right to:
 - 32.2.1. demand that the Issuer eliminates all and any violations of the provisions of these Rules;
 - 32.2.2. request from Issuers and Certified Advisers any information and documents required to assess the compliance of the Issuer and Certified Adviser with the requirements set forth herein and the compliance of the financial instruments of the Issuer with these Rules, , as well as any other information necessary for the Exchange in order to evaluate whether the Issuer and its activities comply with the provisions of the these Rules, the Law and the Binding Legal Acts.
 - 32.2.3. request information about shareholders and members of the Management Board and Supervisory Board of the Issuer;
 - 32.2.4. copy and make excerpts of the documents and information provided by Issuers and Certified Advisers.
- 32.3. The Exchange establishes the obligation of all employees and representatives of the Exchange, including members of the Management Board and the Supervisory Board, to keep confidential, for an unspecified term, all the information received in connection with exercising surveillance over the activities of Issuers and Certified Advisers. This obligation shall not apply to information that is or has been publicly available as well as information subject to publication under the provisions of legislation or the Rules of the Exchange.

33. Obligations and Rights of Certified Advisers in Performing Surveillance

- 33.1. The Certified Adviser shall exercise day-to-day surveillance over the operation and activities of the Issuers serviced by it and their compliance to these Rules. The scope of authorities of the Certified Adviser shall be regulated by the agreement between the Certified Adviser and the Issuer.

- 33.2. In performing their tasks, Certified Advisers have the right to demand from Issuers information and documents required to assess the ability of the Issuer to comply with these Rules and the Binding Legal Acts and the compliance of the financial instruments of the Issuer with these Rules and the Binding Legal Acts.
- 33.3. Certified Advisers shall inform the Exchange without delay on any his detected violations or incompliance in the activities of Issuers as well as any suspicions thereon.
- 33.4. Certified Advisers shall establish the obligation of all their employees and representatives to keep confidential, for an unspecified term, all the information received in connection with the relevant Issuers and exercising supervision over the activities of the Issuers. This obligation shall not apply to information that is publicly available as well as information subject to publication under these Rules.

34. Surveillance Activities Applied on Issuers

34.1. Placing on the Observation Status

- 34.1.1. The Exchange shall have the right to place Issuers on observation status with the purpose to attract the attention of the market participants to some significant circumstance regarding a particular Issuer or its financial instruments.
- 34.1.2. Issuers shall be placed on observation status in the following cases:
- 1) an insolvency procedure of the Issuer has been started or the Issuer has initiated the liquidation process;
 - 2) there are legal proceedings, including arbitration court proceedings, regarding a case which may materially influence the Issuer or its further activity (irrespective of whether the claim was made by the Issuer or it was brought against the Issuer), or a procedure has been instituted that may materially influence the Issuer's further activity;
 - 3) if the Issuer repeatedly, permanently or materially violates the requirements under these Rules;
 - 4) it is proposed to terminate trading with Issuer's financial instruments on the First North or to suspend trading in them, or it is planned to do the same within the next six (6) months;
 - 5) Issuer's shareholders have received a proposal to buy the Issuer's shares held by them (proposal of Issuer's takeover) or information on the intentions to make such proposal has been distributed;
 - 6) the agreement by and between the Issuer and the Certified Adviser has been terminated;
 - 7) if the Issuer has not paid the listing fee within the time limit and in the amount specified by the Exchange and the payment is overdue for more than 6 months;
 - 8) any other circumstances that the Exchange deems to be material for investors and that may influence the interests of investors have taken place.
- 34.1.3 The decision on placing the Issuer on observation status shall be adopted by the Management Board of the Exchange.
- 34.1.4. After the adoption of the decision on placing on observation status, the Exchange shall inform the Issuer and the Certified Adviser without delay thereon, describing the circumstances justifying the decision as well as publish the said information on the website of the Exchange. If the Issuer has provided the Exchange with explanations or commentaries on the relevant circumstances due to which the observation status was applied, the Exchange has the right to publish them on its website.
- 34.1.5. The Exchange shall cancel the observation status without delay as soon as the relevant circumstances have been eliminated.

35. Surveillance Activities Applied on Certified Advisers

35.1. Right to Demand Inspections

The Exchange may in the case of reasoned doubt demand that the Certified Adviser carries out an internal inspection in order to control the compliance of certain transactions, documents and/or activities with the provisions of these Rules, and the Certified Adviser shall submit, upon first demand of the Exchange, all the documents relating to the purpose of inspection.

35.2. Termination of Agreements with Certified Advisers

35.2.1. The Exchange may terminate the agreement with a Certified Adviser if:

- 35.2.1.1. it does not comply with the requirements of these Rules or if its operations have caused damage, including intangible, to an Issuer or the Exchange.
- 35.2.1.2. activities of members of Management Board or Supervisory Board, the Contact persons or other representatives of a Certified Adviser who are involved in functions/tasks of Certified Adviser have caused or may cause damage, including intangible damage, to an Issuer or the Exchange or have damaged or may damage public confidence/reputation of the Exchange, First North market or the securities market as a whole.
- 35.2.1.3. the Certified Adviser has intentionally submitted incorrect information to the Exchange upon applying for Certified Adviser and/or later on.

35.2.2. The decision on the termination of an agreement with a Certified Adviser shall be taken by the Management Board of the Exchange, taking into consideration the interests of investors and the relevant Issuers, providing the Issuers with a possibility to find a new Certified Adviser within reasonable time.

35.2.3. The fact of termination of the Agreement between the Exchange and the Certified Adviser shall be notified by the Exchange to the relevant Certified Adviser and the Issuers consulted by him immediately, including in the notification the reason for this decision. The Exchange shall publish information on the decision to terminate the agreement with the Certified Adviser accordingly modifying the list of Certified Advisers published on the website of the Exchange on the Internet.

IX Sanctions

36. General Provisions

- 36.1. If the Issuer has violated the requirements of these Rules, the requirements of the Binding Legal Acts or general good practice of the financial instruments market, the Exchange shall have the right to issue instructions mandatory for the Issuer or apply the sanctions specified herein or other restrictions to the Issuer.
- 36.2. If a Certified Adviser or its employees violate the requirements set forth in these Rules or the general good practice of the financial instruments market, the Exchange may issue instructions mandatory for the Certified Adviser or apply the sanctions specified herein as well as terminate the Agreement with the Certified Adviser.
- 36.3. Decisions on the application of sanctions shall be taken by the Management Board of the Exchange.

37. Issuing a Warning

- 37.1. The Exchange shall have a right to issue a warning to the Issuer if it violates the requirements as to disclosure of information set out herein or fails to comply with any other obligation specified herein any instructions issued by the Exchange in accordance with these Rules.
- 37.2. The Exchange shall notify the relevant Issuer on issuing a warning, specifying the reason therefor.
- 37.3. The Exchange shall have the right to publish a notice on issuing a warning and the reasons therefor on its website.

38. Termination of Trading

- 38.1. If the financial instruments admitted to trading on the First North do not comply with the applicable requirements and conditions hereunder any more, or if their Issuer has repeatedly or materially violated the provisions of these Rules or other Rules of the Exchange or legal acts regulating the financial instruments market, or if ordinary trade in the Issuer's financial instruments on a regular basis is no longer possible due to any other reason, the Exchange may adopt a decision on the termination of trading in the Issuer's financial instruments.
- 38.2. In addition to the cases referred to under Clause 38.1 hereof, the Exchange shall be entitled to terminate trading in Issuer's financial instruments also in the following cases:
 - 38.2.1. if the Issuer has not concluded an agreement with another Certified Adviser within six (6) months from the termination of the agreement with the previous Certified Adviser, if the involvement of

Certified Adviser is mandatory according to these Rules;

38.2.2. in case of insolvency proceedings or a liquidation procedure against the Issuer has been initiated;

38.2.3. if the Issuer has not paid the listing fee to the Exchange within the specified timeframe;

38.2.4. if the Issuer's economic, legal or other situation and operations threaten the interests of investors and fair and equal treatment of investors.

38.3. Prior to deciding on termination of trading, the Exchange shall inform the Issuer on the intention to terminate trading in its financial instruments and give the Issuer an opportunity to provide written explanations on the circumstances due to which the matter of termination of trading in its financial instruments is to be examined as well as give time to issuer to eliminate these circumstances. The Exchange shall have the right to invite members of the Issuer's Management Board to the meeting of the Management Board of the Exchange in order to discuss the circumstances on the grounds of which the termination of trading will be decided, or discuss with the Issuer the measures to be taken to prevent the failures, as well as to give the Issuer a possibility to provide verbal explanations. The Exchange may set a deadline for the elimination of failures or for the submission of a plan to that effect.

38.4. In its decision to terminate trading in financial instruments, the Management Board of the Exchange shall specify the date as from which the trading is to be terminated. When deciding on the last day of trading, the Management Board of the Exchange shall take into account the interests of investors.

38.5. The Exchange shall immediately notify the Issuer in writing on the adoption of a decision to terminate trading in Issuer's financial instruments. The notice shall contain a description of the circumstances on which the termination decision is based.

38.6. The Exchange shall immediately publish the decision to terminate trading in Issuer's financial instruments also on its website stating the last trading day.

39. Imposing of Fines

39.1. The Exchange shall have a right to impose a penal fine on the Issuer or the Certified Adviser if it materially or repeatedly within 12 months has violated the requirements set forth herein or fails to comply with any instructions issued by the Exchange or to eliminate any violation upon a warning given by the Exchange.

39.2. The Management Board of the Exchange shall have the right to impose on the Issuer or the Certified Adviser a fine up to an amount that may not exceed two annual fee payable by the relevant Issuer or Certified Adviser to the Exchange. In deciding on the amount of the fine, the Management Board of the Exchange shall assess the gravity of the violation and its influence on the investors and the First North.

39.3. If at the time when the decision on the application of the fine the violation is not eliminated, the Management Board of the Exchange shall have the right to decide that the fine is applied for every day as from the day of permitting the violation to the day on which the violation is eliminated, upon condition that the total fine may not exceed the amount specified under Clause 39.2 hereof.

39.4. Not later than on the next business day of taking the decision by the Management Board of the Exchange, the Exchange shall notify the Issuer or the Certified Adviser as well as other Issuers consulted by this Certified Adviser in writing on the fine imposed and specify the reasons therefor. If a fine is imposed to the Issuer, the Exchange shall notify also the Certified Adviser of the Issuer.

X Arbitration

All and any disputes between the Exchange and the Issuer or Certified Adviser shall be settled by way of negotiation. If the parties fail to reach an agreement, the dispute shall be referred to the Arbitration Court of the Latvian Chamber of Commerce and Industry and settled in accordance with its Regulation, in Latvian.