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## **Nasdaq Riga Rules**

### **ON LISTING AND TRADING OF FINANCIAL INSTRUMENTS ON THE MARKETS REGULATED BY THE EXCHANGE**

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## **I. GENERAL PROVISIONS**

### **1. Application of the Rules**

1.1. Nasdaq Riga (hereinafter – the Exchange) *Rules On Listing and Trading of Financial Instruments in the Markets Regulated by the Exchange* (hereinafter – these Rules) shall stipulate the requirements for listing and trading of financial instruments on the markets regulated by the Exchange, requirements for the issuers the financial instruments of which are listed on the markets regulated by the Exchange, delisting of financial instruments from the markets regulated by the Exchange, and the procedure whereby the Exchange carries out the surveillance of issuers.

*(with amendments, approved on November 11, 2015, that come into force on November 12, 2015)*

1.2. These Rules are developed pursuant to the Law on the Financial Instruments Market (hereinafter –the Law).

### **2. Terms Used in these Rules**

#### **2.1. The Exchange and the regulated market**

2.1.1. The Exchange is a capital company, which organises the regulated market.

2.1.2. The regulated market is a totality of managerial, legal and technical activities that make possible public and regular conclusion of deals with financial instruments.

2.1.3. The Exchange drafts and applies these Rules in order to provide a regulated and transparent financial instruments market, taking into account protection of the interests of investors.

2.1.4 Capitalization shall be determined by multiplying the number of all issuer's single category shares by the last price of these shares.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

#### **2.2. Listed financial instruments**

2.2.1. Listed financial instruments are financial instruments listed on the Exchange lists and are traded on the trading system of the Exchange.

2.2.2. The issuers of listed financial instruments shall have the obligation to comply with the provisions of these Rules during the listing of all the financial instruments issued by it.

#### **2.3. Financial instruments to be listed on the Exchange lists**

2.3.1. The following financial instruments (hereinafter also – securities) may be listed on the Exchange lists:

- 1) shares or securities comparable to them which provide holding in the capital of a commercial company, including the alternative investment fund shares (hereinafter – shares);

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

2) bonds and other debt securities (including mortgage bonds, long-term and short-term bonds and other securities which verify the right of the owner to receive the nominal value and interest payments) (hereinafter – debt securities);

3) other tradable securities to which the rights to acquire the securities referred to in SubClauses 1 and 2 above by means of subscription or swapping are attached.

4) global depository receipts – securities that have been issued in order to replace the shares of an issuer registered in other country and give their acquirer the right to use the rights attached to the replaced shares;

5) investment fund and alternative investment fund (hereinafter both together called – “investment fund” or separately “Fund” and “Alternative fund”) certificates (hereinafter – investment certificates);

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

6) other financial instruments that in compliance with the Law may be listed and traded on regulated markets.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

#### **2.4. Structure of the Exchange lists**

Financial instruments may be listed and traded on the following Exchange lists:

2.4.1. Main List (shares and other capital securities);

2.4.2. Secondary List (shares and other capital securities);

2.4.3. Bond List (debt securities);

2.4.4. Investment Fund List (investment certificates);

#### **2.5. Financial instruments issuer**

A financial instruments issuer (hereinafter – the Issuer) is an entity the financial instruments issued by which are listed on a list of the Exchange.

### **3. Adoption and Application of the Rules**

#### **3.1. The Rules and amendments thereto**

3.1.1. The Rules and amendments thereto shall be developed by the Exchange.

3.1.2. The Rules and amendments thereto before their approval shall be submitted to the Financial and Capital Market Commission (hereinafter – the Commission) for opinion. If no objections are stated in the opinion, the Exchange shall have the right to approve the Rules and amendments thereto.

3.1.3. The Rules and amendments thereto shall enter into force in compliance with the procedure stipulated under the Law. The Exchange shall publish the Rules and amendments thereto on its Internet website at least one day prior their entering into force.

3.1.4. The Management Board of the Exchange shall have the right to prepare and approve documents in which there are provided recommendations and suggestions and detailed procedures for the applying and executing individual general provisions set forth in these Rules.

### **3.2. Equal attitude**

3.2.1. These regulations and the Exchange fees shall be applied equally upon all Issuers and persons that have submitted a Listing Application.

3.2.2. The Exchange shall have the right to apply exceptions in the cases referred to in these Rules.

## **II. REQUIREMENTS FOR FINANCIAL INSTRUMENTS TO BE LISTED ON THE EXCHANGE LISTS**

### **4. General Requirements Regarding Listing of Financial Instruments on the Exchange Lists**

#### **4.1. Requirements for Issuers**

4.1.1. The Issuer which wants to have the financial instruments issued by it listed on a list of the Exchange has to be registered and operating in compliance with the regulatory acts of its country of registration, its Articles of Association/Charter and these Rules.

4.1.2. The Issuer's economic activity, including legal and economic standing, has to be such that does not threaten the interests of the investors.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

4.1.3. The Exchange shall have the right not to list financial instruments of an Issuer, which has initiated legal or out-of-court legal protection proceedings, against which insolvency proceeding has been instituted or which has had other types of insolvency problems during the last two years before submitting the Listing Application.

4.1.4. The Issuer shall pass the initial and any repeated sanctions screening check in accordance to the international and national sanctions lists to the satisfaction of the Exchange.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

#### **4.2. Requirements for financial instruments**

4.2.1. Only freely transferable financial instruments may be listed on the Exchange lists and the transfer right of the financial instruments may not be restricted by the Articles of Association/Charter of the Issuer.

4.2.2. The financial instruments applied for listing 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).

*(with amendments, approved on November 12, 2018, that come into force on November 26, 2018)*

4.2.3. Only dematerialized financial instruments may be applied for listing.

4.2.4. The financial instruments applied for listing have to conform to the provisions of the regulatory acts applicable thereto and they have to be issued in compliance with the provisions of the said regulatory acts, the Articles of Association/Charter of the Issuer or other documents regulating the activity of the Issuer.

## **5. Special Requirements for Listing of Shares on the MAIN List**

### **5.1. Duration of the economic activity of issuer**

The Issuer which applies for the listing of its shares on the Main List has to have been active in the main field of its economic activity for at least three (3) years. The Management Board of the Exchange shall have the right to set exceptions regarding this requirement, taking into account the Issuer's financial standing, position in the market, field of activity, reputation, future plans or other material factors significant for the evaluation of the Issuer and/or its economic activity.

**5.2.** *(null and void from February 1, 2021)*

### **5.3. Minimum capitalization of shares**

Shares may be listed on the Main list if their anticipated capitalization (if it cannot be assessed, the equity capital of the Issuer) is at least four (4) million euros. The Management Board of the Exchange shall have the right to set exceptions to this requirement if sufficient interest from investors about the trading of the relevant shares on the regulated market is expected.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **5.4. Free float**

5.4.1. Shares may be listed on the Main list if the Issuer has submitted the Listing Application for all shares of one category.

5.4.2. Not later than the day on which the trading with shares starts and also during the whole period of listing on the Exchange, a sufficient free float is to be ensured. This condition shall be deemed as met if:

- 1) at least twenty-five percent (25%) of the shares of the category which the Issuer wants to list at the Exchange are in free float, or
- 2) the number of shares in free float is smaller than that specified in Clause 5.4.2. 1) hereof, but the capitalisation of the shares on free float exceeds ten million (10,000,000) euros.

*(with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*

5.4.3 The number of the shares on free float shall be calculated in accordance with the procedure approved by the Management Board of the Exchange and published on the Internet website of the Exchange.

5.4.4. Issuer whose shares are listed on the Main list once per year shall calculate its number of shares in free float based on the most recent Issuer's shareholders list available to it and from August 15 until August 31 shall submit a statement of compliance to the free float requirements under Clause 5.4.2. 1) to the Exchange. The statement of compliance shall state Issuer's number of shares in free float and its percentage from the total number of Issuer's shares listed on the Main list. The Exchange shall have the right to request additional information and documents to verify Issuer's conformity with the requirements under Clause 5.4.2.

5.4.5. In case Issuer's free float stated in its statement of compliance does not comply with the Clause 5.4.2. 1) requirements, the Exchange shall verify Issuer's compliance with the Clause 5.4.2. 2) requirements by calculating the capitalisation of its shares in free float. The calculations shall be made based on the number of shares in free float stated in Issuer's statement of compliance and Issuer's weighted average market price in the period of last 12 months before August 31 (including).

*(with amendments, approved on September 25, 2019, that come into force on October 14, 2019)*

5.4.6. If the Exchange establishes that the Issuer does not conform to the requirements set out under Clause 5.4.2 hereof, the Exchange shall notify it thereon in writing. Within twelve (12) months of the receipt of the notification from the Exchange, the Issuer shall be obliged to carry out the required actions to ensure that Issuer's shares in free float be compliant with the requirements set out under Clause 5.4.2 hereof.

*(with amendments, approved on December 17, 2009, that come into force on January 1, 2010)*

5.4.7. The Management Board of the Exchange shall have a right taking into account the situation in the financial markets and other circumstances to set an exception to the requirements specified under Clause 5.4.2.

*(with amendments, approved on December 17, 2009, that come into force on January 1, 2010)*

## **5.5. Transfer from the Main list**

The Management Board of the Exchange may adopt the resolution to transfer shares from the Main List to the Secondary List upon request from the Issuer or initiative of the Exchange if the shares do not conform to the requirements set for the Main List or if the Issuer wants to list its shares on the Secondary List.

## **6. Special Requirements for Listing of Shares on the Secondary List**

### **6.1 Economic activity of the Issuer and requirements for financial instruments**

No quantitative requirements or restrictions shall be applied to the Issuers which apply for listing on the Secondary List and the shares issued by them. The Secondary List is a regulated market, which is organised by the Exchange in accordance with the requirements of the Law.

## **6.2. Transfer from the Secondary List**

The Management Board of the Exchange may transfer the shares of the Issuer from the Secondary List to the Main List upon application of the Issuer if the Issuer conforms to the requirements set forth herein for issuers listed on the Main List.

## **7. Special Requirements for Listing of Debt Securities on the Bond List**

### **7.1. Duration of the economic activity of Issuer**

A commercial company applying for the first listing of debt securities has to have been active in the main field of its economic activity for at least two (2) years. The Management Board of the Exchange shall have the right to set exceptions regarding this requirement, taking into account the Issuer's financial standing, position in the market, business area, reputation, future plans or other material factors significant for the evaluation of the Issuer and/or its economic activity.

*7.2. (null and void from February, 2021)*

### **7.3. Minimum amount of an issue**

The total nominal value of the debt securities applied for listing shall have to be at least two hundred thousand (200 000) euros on the day when the Issuer submits the listing application on listing and trading of debt securities on the Bond List. This provision shall not be applicable in the case of tap issues where the amount of the loan is not fixed.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **7.4. Listing of convertible bonds**

Convertible bonds listing shall be started only if the underlying shares are listed on the regulated market of the Exchange or another regulated market organiser, or if the listing of shares takes place simultaneously with the listing of the convertible bonds.

### **7.5. Listing of debt securities issued by the Government, local governments and international organizations**

Debt securities issued by the Government, local governments and international organizations shall be listed on the Bond List if the requirements under Clause 7.3 hereof are complied with.

## **8. Requirements for Listing of Investment Certificates on the Investment Fund List**

### **8.1. Listing of Investment Certificates in Investment Fund List**

8.1.1. The purpose of the Investment Fund List is to inform the investors about listed investment fund and the value of their share, the sell and buy price of the investment certificate, and the trading results.



8.1.2. An investment certificates may be listed on the Investment Fund List upon condition that the Fund or Alternative fund that issues respective investment certificates conforms to the provisions of the Investment Management Companies Law or Alternative Investment Fund and their Managers law, is registered with the Commission or in a country of the European Economical Area and has the right to distribute investment certificates in Latvia.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

### **III. DELISTING FROM AND INCLUSION OF FINANCIAL INSTRUMENTS ON EXCHANGE LISTS**

#### **9. Documents to be Submitted in Case of Listing of Financial Instruments**

##### **9.1. General provisions**

9.1.1. The procedure of listing and commencement of trading of financial instruments (hereinafter – the Listing Procedure) is a totality of actions carried out by the Exchange to assess the conformity of the financial instruments applied for listing and their Issuer to the provisions of these Rules.

9.1.2. The Listing Procedure starts as of the moment when the Issuer has submitted to the Exchange an application for the listing and trading of the financial instruments issued by it (hereinafter – the Listing Application).

9.1.3. The Exchange shall have the right to publish the announcement about the initiation of the Listing Procedure and all the information received from the Issuer during the Listing Procedure on the Internet website of the Exchange.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.1.4. During the Listing Procedure, the Management Board of the Exchange shall have the right to apply upon the Issuer the obligation to conform fully or in part to the provisions set out herein for the Issuers as to disclosure of information.

9.1.5. The Listing Procedure shall be completed:

- 1) upon listing decision taken by the Management Board of the Exchange; or
- 2) upon decision of the Management Board of the Exchange on refusal of listing; or
- 3) upon an application from the Issuer on withdrawing the Listing Application.

##### **9.2. Listing Application**

9.2.1. The Issuer which wants to have its financial instruments listed on any of the lists of the Exchange shall submit to the Exchange the Listing Application and any other documents specified herein, as well as completed Sanction screening form in accordance to the template specified by the Exchange.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.2.2. The Issuer shall draw up the Listing Application in compliance with the specimen approved by the Management Board of the Exchange, providing in it the information required by the Management Board of the Exchange. The Listing Application shall be also sent to the Exchange in electronic form to the e-mail address specified by the Exchange.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.2.3. If the Issuer, whose shares are already listed on the Exchange lists, issues shares of the same category, it shall submit to the Exchange the Listing Application on the listing of the additionally issued shares not later than two business days before these shares are assigned with the same ISIN code, as the already listed shares.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.2.4. After submitting the Listing Application to the Exchange, the Issuer shall have the obligation to inform the Exchange, without delay, about any circumstances that have occurred during the examination of the Listing Application if such circumstances may affect the price of the financial instruments and decisions of investors about performing transactions with the financial instruments.

9.2.5. In addition to the documents referred to under Clauses 9.3- 9.5 hereof, the Management Board of the Exchange shall have the right to demand other information and documents which the Management Board of the Exchange considers necessary in order to decide about the listing of the financial instruments on the Exchange lists and the commencement of trading in them.

9.2.6. The Exchange shall have the right to demand from the Issuer information about the location, business area and owners or beneficiaries of the Issuers shareholders that are legal entities and held five per cent (5%) or more of the Issuer's voting share capital, as well as about those persons that are authorized to represent them.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **9.3. Documents to be submitted in case of listing of shares**

9.3.1. If the Issuer applies its shares for listing on the Exchange lists for the first time, it shall append the following documents to the Listing Application (there is no need to append them to the Listing Application in case the documents listed below are publicly available):

- 1) the document , which certifies the legal status of the Issuer (fact of registration) or the copy of this document, accordingly certified copy, and information about the resolutions of the managing institutions of the Issuer that have been adopted prior to submitting the listing application but not yet registered with the Commercial Register;
- 2) the Articles of Association/Charter of the Issuer or its certified copy;
- 3) the Issuer's Management Board report on business plans for the current and at least the next reporting period, shall be submitted only in case such information is not covered in the Prospectus;
- 4) a copy of the Issuer's shareholders' meeting decision on amendments to the Articles of Association/Charter and the increase in equity;

- 5) the prospectus, which has been drawn up and registered in accordance with the requirements of the Law (to be submitted also in electronic form).
- 6) if an agreement with an Exchange member on market making for the Issuer shares, for which the Listing Application has been submitted has been concluded, the information about the conclusion of the agreement and a description of the main provisions of the agreement;
- 7) copies of annual reports certified by a certified auditor (to be submitted also in electronic form or only in electronic form): if it is planned to list the shares on the Main List – annual reports for the last three (3) years shall be submitted; if on the Secondary List – the annual report for the last year shall be submitted; If more than eight (8) months have passed since the last audited financial year, the Issuer shall be obliged to submit the interim financial report on 6 months of the current financial year. These reports shall not be submitted together with the Listing Application if they are publicly available on the Issuer's website or are appended to the prospectus;
- 8) Confirmation of the Issuer's compliance with the requirements specified in the Clause 5.4 hereof regarding the number of shares in free float, if the shares are applied for listing on the Main list.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.3.2. If shares of the Issuer are listed on the Exchange and it applies for the listing of additional shares of the same category or another category, the Issuer shall submit the Listing Application and the following documents:

- 1) the prospectus, which has been drawn up and registered in accordance with the requirements of the Law (to be submitted also in electronic form). If in accordance with the Law no prospectus has to be prepared by the Issuer for the listing of the relevant shares on the Exchange, the Issuer shall prepare and submit a document containing the information on additional shares to be listed (purpose of the issue, characteristics, the rights attached to them, etc.);
- 2) a copy of the Issuer new Articles of Association if they are not publicly available.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

#### **9.4. Documents to be submitted in case of listing of debt securities**

9.4.1. If the Issuer whose shares are not listed on the Exchange applies its debt securities for listing on the Exchange lists for the first time, the following documents shall be appended to the Listing Application (there is no need to append them to the Listing Application in case the documents listed below are publicly available):

- 1) the document which certifies the legal status of the Issuer (fact of registration) or its accordingly certified copy and information about the resolutions of the managing institutions of the Issuer that have been adopted prior to submitting the listing application but not yet registered with the Commercial Register;
- 2) the copy of the Articles of Association/Charter of the Issuer or another document certifying the establishment of the enterprise;

- 3) the resolution on the issuing of debt securities and the submitting the Listing Application taken by the authorised management body of the Issuer;
- 4) copies of annual reports of two last years, certified by a certified auditor (to be submitted also in electronic form or only in electronic form), if they are not publicly available on the Issuer's website or are not attached to the prospectus;
- 5) the prospectus, which has been drawn up and registered in accordance with the requirements of the Law, (to be submitted also in electronic form);
- 6) if an agreement with an Exchange member on market making for the Issuers debt securities for which the Listing Application has been submitted has been concluded, the information about the conclusion of the agreement and description of the main provisions of the agreement.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.4.2. If the Issuer, whose shares are listed on the Exchange, applies its debt securities for listing on the Exchange lists for the first time, the Listing Application should be supplemented with the prospectus drawn up and registered in accordance with the requirements of the Law (to be submitted also in electronic form).

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.4.3. If an Issuer whose debt securities are listed on the Bond List applies for the listing of additional debt securities of the same type and category or another type and category, the Issuer shall submit the Listing Application and append to it the document referred to in Clause 9.4.2. hereof. If an Issuer whose debt securities are already listed on the Bond List applies for listing of the debt securities of the same type and category, it shall submit to the Exchange the Listing Application on the listing of the additional debt securities not later than one business day before these debt securities are assigned with the same ISIN code, as the already listed debt securities.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.4.4. If the Latvian Government Treasury bills and bonds are applied for the listing on the Bond list, the following information shall be provided in the application:

- 1) ISIN code of the financial instrument;
- 2) maturity date;
- 3) nominal value of one financial instrument;
- 4) number of financial instruments to be listed;
- 5) date of listing of the financial instruments;
- 6) coupon rate, if such has been determined, as well as the date of payment thereof.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## **9.5. Documents to be submitted in case of listing of investment certificates**

9.5.1. If the Listing Application is submitted in relation to Fund investment certificates, which are issued in accordance with Investment Management Companies law, the following documents shall be appended thereto (there is no need to append them to the Listing Application in case the documents listed below are publicly available):

- 1) the document, which certifies the legal status of the investment management company (the fact of registration) or its accordingly certified copy , and information about the management bodies of the investment management company that have been adopted before submitting the listing application but not yet registered with the Commercial Registry;
- 2) the Articles of Association/Charter of the investment asset management company or its certified copy;
- 3) a copy of the Commission's resolution on the registration of the Fund;
- 4) a confirmation of the Commission about the fact that an Fund registered abroad is entitled to circulate publicly its investment certificates in Latvia;
- 5) the Fund Management Regulation with amendments thereto, if any (to be submitted also electronically);
- 6) the Fund Prospectus with amendments thereto, if any (to be submitted also electronically);
- 7) a copy of the agreement with the custodian bank;
- 8) *(null and void from February 1, 2021)*
- 9) audited annual report of the Fund, if the Fund is acting more than one year, as well as an non-audited semi-annual report, if such has been approved since the last annual report and before submitting the Listing Application (to be submitted also in electronic form or only in electronic form);
- 10) the number and price of the investment certificates on the day of submitting the Listing Application;
- 11) the value of the Fund and Fund share as of the last day of every month under the last twelve months or a shorter period if the fund has been active for a shorter time;
- 12) if the Fund investment certificates are listed on another regulated market, the list of the market organizers of such markets;
- 13) the structure of the Fund's assets or the investment portfolio as of the day of submitting the Listing Application.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

9.5.2. If the Listing Application is submitted in relation to Alternative Fund investment certificates, which are issued in accordance with Alternative Investment Funds and their Managers law, the following documents shall be appended thereto:

1) the document, which certifies the legal status of the manager of Alternative fund (the fact of registration) or its accordingly certified copy;

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

2) the management rules of Alternative fund or its certified copy (if the Alternative fund is established by manager);

3) the Articles of Association/Charter of Alternative fund or its certified copy (if Alternative fund is established as joint stock company);

4) the activity rules or prospectus of Alternative fund, if in accordance with FIML Alternative fund is obliged to publish issue prospectus (prospectus) (to be submitted also electronically);

5) the first name and surname of Alternative fund Supervisory Council and Management Board members;

6) the audited annual report of the Alternative Fund, if the Fund is acting more than one year (to be submitted also in electronic form or only in electronic form);

7) the number and price of the investment certificates issued by Alternative fund, the value of share (for open-end fund) or nominal value (for closed-end fund) on the day of submitting the Listing Application;

8) if the Alternative fund investment certificates are listed on another regulated market, the list of the market organizers of such markets;

9) the structure of Alternative fund assets or investment portfolio on the day of submitting the Listing Application;

10) the copy of document that certifies the issuing of licence to the manager of Alternative fund issued by Commission or in another state of European Economic Area;

11) the certified copy of the Commissions decision on registration of Alternative fund;

12) the certified copy of the Commission decision on registration of prospectus, if in accordance with FIML Alternative fund is obliged to publish issue prospectus (prospectus);

13) a copy of the agreement with the custodian bank.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

## **10. Listing and Trading of Financial Instruments**

### **10.1. Listing decision**

- 10.1.1. The Management Board of the Exchange shall pass a listing decision or refuse listing within 10 days from the day on which the Issuer submitted the Listing Application and the documents referred to in these Rules to the Exchange. If the Management Board of the Exchange has required additional information from the Issuer, the examination term of the Listing Application shall be counted from the moment of disclosing the required information to the Exchange.
- 10.1.2. If in the listing decision it is not stipulated otherwise, the first trading day of the financial instruments applied for listing shall be the sixth (6) trading day since the day (including) on which the listing decision has been adopted, except the cases when the provisions set forth in Clause 10.7 hereof have not been implemented.
- 10.1.3. In the listing decision or refusal of listing, the Management Board of Exchange shall indicate the provisions and requirements referred to in these Rules pursuant to which the decision has been adopted.
- 10.1.4. The Management Board of the Exchange shall have the right to refuse listing on the Exchange lists also if the Issuer and the financial instruments issued by it conform to these Rules, but the Management Board of the Exchange, having assessed the Issuer's financial standing, position in the market, client structure, growth potential, business area, reputation, future plans and other material factors that are important in the assessment of the Issuer's economic activities, arrives to a conclusion that listing of the financial instruments may have and adverse effect on the functions of the regulated market and damage the interests of investors.
- 10.1.5. The Management Board of the Exchange, in order to ensure sufficient liquidity of financial instruments, shall have the right to demand from the Issuer which has submitted the listing application to enter into an agreement with an Exchange Member on market making for the financial instruments of the Issuer.

### **10.2. Conditional listing decision**

- 10.2.1. The Management Board of the Exchange shall have the right to pass a listing decision also in the event if on the moment of submitting the listing application the Issuer which applies for listing or the financial instruments issued by it do not conform to the provisions of these Rules but the Management Board of the Exchange considers that the Issuer and the financial instruments issued by it will conform to the requirements for the issuers and financial instruments set forth in these Rules after the primary placement, public offering or other activities that will be carried out after the passing the listing decision, however, before the term set in these Rules. In this resolution the Exchange shall determine the conditions to be met by the Issuer, as well as the timeframe for the fulfilment of these conditions.
- 10.2.2. If the Management Board of the Exchange has passed a conditional listing decision, the listing of the respective financial instruments may happen when the Issuer has met all requirements indicated in listing decision and when the Issuer and financial instruments issued by it conform to the provisions of these Rules.

- 10.2.3. The obligation of the Issuer shall be to submit to the Exchange a statement on fulfilment of the conditions immediately after the fulfilment of the conditions specified in the decision.
- 10.2.4. If the Issuer has not fulfilled all the conditions specified in the decision within the timeframe set by the Management Board of the Exchange or if the Issuer or the financial instruments issued by it do not conform to the provisions of these Rules, and also if the Exchange has grounded reasons to consider that during the primary placement, public offering or other activities regarding the financial instruments provisions of regulatory enactments or the rules of issue have been violated, the Management Board of the Exchange may review the listing application.
- 10.2.5. If the Exchange Management Board, observing the provisions of Clause 10.2.4 of these Rules, reviews the issue about listing of the Issuer's financial instruments, it shall have the rights to:
- 1) recognize the conditions to be fulfilled; or
  - 2) to extend the timeframe for the fulfilment of the conditions; or
  - 3) cancel the conditional listing decision.

### **10.3. Special conditions for trading of additional shares**

- 10.3.1. If the Issuer issues shares of the same category that is already listed in the Exchange and has filed with the Exchange the Listing Application, the Management Board of the Exchange shall have the right to take the decision on the trading in these shares as of the day on which the payments for these shares have been made. Until the day on which the Issuer provides the Exchange with a statement from the Commercial Register on the registration of the increase in equity, the additional shares shall be traded under a code that is different from the code of the shares of the same category listed on the Exchange.
- 10.3.2. After the Issuer has submitted to the Exchange the excerpt from the record in the Commercial Register about the increase of share capital and has informed the Exchange that the shares issued as the result of the increase of share capital are *pari passu* with those listed on the Exchange, the Exchange shall list the newly issued shares with a code identical to the code of the shares of the same category already listed on the Exchange.
- 10.3.3. *(null and void from February 1, 2021)*

### **10.4. Announcing the listing decision and commencing of trading**

- 10.4.1. The Exchange, after the Management Board of the Exchange has passed the listing decision, shall send, without delay, a written notification on the adopted decision to the Issuer, the Commission and the Depository.
- 10.4.2. The Exchange shall publish, without delay, the information about the decision on the Internet website of the Exchange.



## **10.5. Publishing the prospectus**

10.5.1. The Exchange shall publish the Prospectus on the Internet website of the Exchange immediately after the Management Board of the Exchange has passed the listing decision, however, not later than 3 days before the day when trading in the relevant financial instruments commences.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

10.5.2. The Issuer shall have the obligation to immediately inform the Exchange in accordance with procedure specified by the Rules about any circumstances that have occurred during the period between publishing the prospectus and commencement of trading of the financial instruments on the Exchange lists, if these circumstances may affect the price of the issued financial instruments and the interests of investors.

## **10.6. Appealing the decision**

If the Management Board of the Exchange has passed the decision to refuse listing, such decision can be appealed to the Commission within thirty (30) days as from the day on which the Issuer has received the respective resolution.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## **10.7. Listing agreement**

10.7.1. The Issuer shall be obliged to sign the listing agreement within five (5) trading days as from the adoption of the listing decision, however, not later than before the trading in its financial instruments is starting. The agreement shall determine the obligation of the Issuer to comply with these Rules. The Exchange shall not commence trading with the financial instruments of the Issuer until the listing agreement is entered into.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

10.7.2. The listing agreement on the listing and trading of Fund's investment certificates on the Investment Fund List of the Exchange shall be signed by the Fund's management company. The listing agreement on the listing and trading of Alternative fund's investment certificates on the Investment Fund List of the Exchange shall be signed by the Alternative fund internal or external manager.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

## **11. Suspension of Trading of Financial Instruments**

### **11.1. Trading suspension upon initiative of the Issuer**

11.1.1. The Issuer shall have the right to submit to the Exchange a written application for the suspension of trading in financial instruments issued by it.

11.1.2. In the application, the Issuer shall extensively justify the reasons for the necessity to suspend trading and also indicate the predicted duration and conditions of the trading suspension.

11.1.3. The resolution on the trading suspension shall be adopted by the Management Board of the Exchange , which is to specify in the resolution the duration of suspension as well as the conditions on the grounds of which the resolution has been adopted.

## **11.2. Trading suspension upon initiative of the Exchange**

11.2.1. In extraordinary circumstances, in order to protect the interests of investors, the Exchange may suspend trading in the financial instruments of the Issuer.

11.2.2. The term ‘extraordinary circumstances’ referred to in Clause 11.2.1 hereof shall mean: ample price fluctuations; existence of information which may materially affect the price of the respective financial instrument and which is planned to be disclosed shortly; as well as other situations, circumstances or conditions which may obstruct the process of transparent and fair trading.

11.2.3. The Exchange shall have the right to suspend trading in securities if the information disclosed by the Issuer and which may materially affect the price of securities is clearly erroneous or has to be processed or checked for other reasons.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

11.2.4. The Exchange shall have the right to suspend trading in the financial instruments of the Issuer during the shareholders meeting or press conference of the Issuer at which it is planned to adopt resolutions or disclose information which may materially affect the price of the respective financial instruments. In the cases referred to in this Clause, the Exchange may suspend trading as from the beginning of the said events until the moment when the information about the adopted resolutions or other relevant information has been published.

11.2.5. The resolution on suspension of trading in financial instruments shall be adopted by the Management Board of the Exchange .

11.2.6. *(null and void from February 1, 2021)*

11.2.7. *(null and void from February 1, 2021)*

11.2.8. *(null and void from February 1, 2021)*

## **11.3. Obligations of the Issuer in the event of trading suspension**

11.3.1. The obligations of the Issuer set forth in these Rules shall be applied to the Issuer also during the suspension of trading in the Issuer’s financial instruments.

11.3.2. The Issuer the trading in securities of which has been suspended shall regularly inform the Exchange about the circumstances that are the reason for trading suspension, their progress, changes and termination during the whole period of trading suspension.

## **11.4. Resuming of trading of financial instruments**

11.4.1. The Management Board of the Exchange shall adopt the resolution on resuming of trading in financial instruments if the circumstances on the grounds of which the resolution on suspension of trading was adopted have come to an end or have been eliminated.

11.4.2. If the necessity to wait for publication of particular information caused suspension of trading, trading shall be resumed after publication of the respective information if there are no other reasons for suspension of trading. If the information to be disclosed is large in volume, the Exchange may extend the suspension after publication of such information on the Internet website of the Exchange for a period of time which is needed for the members of the Exchange and investors to study the information.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

11.5. The Exchange shall inform, without delay, the relevant Issuer and the Commission about the resolution to suspend or resume trading in the financial instruments of the Issuer.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

11.6. The Exchange shall without delay publish an announcement on its Internet website about the resolution to suspend or resume trading in financial instruments.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## **12. Delisting of Financial Instruments from the Exchange Lists upon Initiative of the Issuer**

### **12.1. Delisting of shares**

12.1.1. The Management Board of the Exchange shall have the right to delist the Issuer's shares from the Exchange lists upon written application of the Issuer.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

12.1.2. The Issuer may request delisting of shares only in case, if takeover bid announced in accordance to the applicable law requirements is accomplished.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

12.1.3. The Management Board of the Exchange shall have the right to decide in favour of or against delisting of the Issuer shares within ten (10) business days from the day of submitting the application, or from the day on which the Issuer disclosed the additional information required by the Management Board of the Exchange for the examination of the issue.

### **12.2. Listing termination or delisting of debt securities**

12.2.1 If debt securities listed on the Exchange are redeemed at maturity specified in the issue prospectus or issue rules, or the Issuer has exercised the call option specified in the issue prospectus or issue rules, the listing of such debt securities on the Exchange shall be terminated by redemption date. The Exchange shall suspend the trading of such securities at the end of the Trading Hours on the third (3) business day before the Record date. For the purpose of this Clause business days are understood as days when in accordance with the depository rules where such debt securities are initially recorded the settlement takes place.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

12.2.2. The Management Board of the Exchange upon the request of the Issuer may delist the debt securities from the Exchange list prior to redemption date specified for the debt securities, if the Issuer has bought back all debt securities of the respective issue.

12.2.3. The Management Board of the Exchange shall take a decision on delisting the debt securities from the Bond list within ten (10) business days from the day of submitting the application, or from the day on which the Issuer disclosed the additional information required by the Management Board of the Exchange for the examination of the issue.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **12.3. Delisting of investment certificates**

12.3.1. Investment certificates shall be delisted within one (1) month of submitting the delisting application.

12.3.2. The Management Board of the Exchange shall have the right pass a decision on delisting investment certificates from the Investment Fund List upon application from the Fund Management Company or Alternative fund manager respectively. The Management Board of the Exchange may pass the said decision if it does not cause material damage to the investors of the investment fund, or if in compliance with the procedure stipulated by the Investment Management Company Law or Alternative investment funds and their managers law the liquidation of the investment fund has been commenced.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

### **12.4. Notifications on financial instruments delisting decisions**

12.4.1. The Exchange shall immediately inform the Issuer and the Financial and Capital Market Commission in writing about the decision to delist the Issuer's financial instruments from the Exchange list. This notification shall contain the description of the circumstances justifying the delisting decision of the financial instruments.

12.4.2. The Exchange shall publish the notification on delisting decision on its Internet website.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

### **12.5. Appealing the resolution**

If the Management Board of the Exchange has rejected the delisting application, such decision can be appealed to the Commission within thirty (30) days of the receipt the decision.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## IV. DISCLOSURE OF INFORMATION AND OTHER REQUIREMENTS FOR ISSUERS

### 13. General Provisions

#### 13.1. Information to be disclosed

13.1.1. The obligation of the Issuer shall be to disclose the information to be disclosed on a regular basis referred to in these Rules by means and within the timeframes specified herein.

13.1.2. The Issuer shall have the obligation to publish Inside information in accordance with the requirements provided in EU regulation, the Law and in accordance with Financial and Capital Market Commission's legislation's (hereinafter also – Legislations) requirements (hereinafter also – Inside information).

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.1.3. The Issuer has an obligation to disclose Inside information also about the significant subsidiary of the Issuer. In the interpretation of these Rules, a significant subsidiary of the Issuer shall be the company which is consolidated with the Issuer, and whose total assets, turnover or profit/loss from the commercial activity constitutes ten (10) or more per cent of the total amount of the consolidated assets, consolidated turnover, or consolidated profit/loss.

*(with amendments, approved on November 12, 2018, that come into force on November 26, 2018)*

13.1.4. The Exchange shall have the right to demand it and the Issuer shall be obliged to provide it with any information that the Management Board of the Exchange deems to be material for the protection of the rights of investors

13.1.5. The Issuer is obligated to disclose information about the transactions or investments of the Issuer or its significant subsidiaries in the result of which the sum payable or to be received for the assets, including the market value of the assets or financial instruments, or the liabilities undertaken or credits issued, are equal to or exceed 10% of the Issuer's equity capital according to the last annual report audited by the certified auditor (if the Issuer does not prepare the consolidated annual report) or the consolidated annual report (if the Issuer prepares the consolidated annual report).

13.1.6. The Issuer shall have the obligation to disclose information about transactions of significant amount, simultaneously including the following information:

- 1) Description of the transaction and its influence on the business and financial results of the Issuer;
- 2) the sum to be paid or received in the result of the transaction, including the sums to be received or paid in next periods, and terms and conditions of payment.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## **13.2. Insider information**

13.2.1. 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 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation or MAR).

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.2.2. 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.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

## **13.3. Obligations of the Issuer when disclosing information**

13.3.1. The obligation of the Issuer shall be 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 the requirements of these Rules is to be disclosed immediately.

13.3.2. The information disclosed by the Issuer has to be precise, correct and unambiguous, its contents may not be misleading, and it may not exclude or omit anything that may affect the subject or significance of the information.

13.3.3. When disclosing information, the Issuer shall have the obligation to present all financial data in euros and in the official currency of the Issuer's registration country.

*(with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*

13.3.4 The Issuer who discloses the financial data not only in euro but also in other currency, shall indicated the exchange rate and the source of the exchange rate, based on which the recalculation is made.

*(with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*

13.3.5. If the information already disclosed to the Exchange is being altered, the Issuer shall submit, without delay, to the Exchange a notification about the alterations.

13.3.6. The Exchange shall have the right to demand from the Issuer to provide comments and/or additional information about the information disclosed by the Issuer. The obligation of the Issuer shall be to immediately disclose the requested information.

13.3.7. 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 the moment when such information is properly disclosed in accordance with the Legislations and simultaneously published on the Internet website of the Exchange.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

13.3.8. The Issuer shall ensure that all the information which the Issuer plans to disclose to investors, is publicly disclosed in compliance with procedure determined in these Rules not later than it is being disclosed to the holders of the respective securities.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.3.9. If the Issuer learns that the information to be disclosed under these Rules has been accessible to unauthorized persons before disclosing of it, the Issuer shall, without delay, disclose such information according to these Rules.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.3.10. If the circumstances referred to in Clause 13.3.8 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 information shortly, in the notification briefly describing the event about which it is planned to disclose information.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.3.11. If the Exchange considers that the information referred to in Clause 13.3.8 hereof may cause significant fluctuations in the price of the listed securities of the Issuer, the Exchange may temporary suspend trading with the securities of the respective Issuer until the Issuer discloses completely the particular information.

13.3.12. An Issuer has a right to delay with the disclosure of Inside Information under the conditions and pursuant to the procedure provided by the Legislations. If the Issuer believes that the information required by the Exchange pursuant to Clause 13.3.6 hereof or the information to be disclosed pursuant to Clause 13.3.9 thereof comprises its business secrets or that the disclosure of information might otherwise be to the detriment of the Issuer, the Issuer may request the Exchange not to distribute publicly such information. In the application to the Exchange, the contents of the information and an explanation justified by the Issuer, providing the reasons why the Issuer does not want to publicly disclose the relevant information, shall be provided.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.3.13. If the Issuer learns that other persons have distributed correct or incorrect information about the Issuer which may or has affected the price of the Issuer's securities, the Issuer shall immediately comment upon such information by submitting a respective notification to the Exchange.

13.3.14. The Issuer the securities of which are listed on another regulated market or another type of trading system shall ensure that the information disclosed by the Issuer be disclosed to the Exchange not later than the moment when it is being disclosed in another regulated market or trading system where the Issuer's securities are listed or traded.

13.3.15. *(null and void from September 25, 2017)*

#### **13.4. Procedure of disclosing of information**

13.4.1. In the interpretation of these Rules, information is to be deemed as disclosed when it is published as a notification on the Internet website of the Exchange.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

13.4.2. The Exchange shall ensure that the information received from the Issuer is publicly accessible to participants of the financial instruments market on the internet website of the Exchange.

13.4.3. The Issuer shall be obliged to provide all the information specified herein to the Exchange within the time limits specified herein, however, not later than when it's published in accordance with the procedure set out in the Legislations.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.4.4. The Issuer shall have the obligation to disclose to the Exchange the information electronically in compliance with the procedure determined by the Management Board of the Exchange.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

13.4.5. The Issuer shall appoint an investor relations person for maintaining contacts with the Exchange and investors. The Issuer shall notify, without delay, the Exchange about substitutes of the said person.

13.4.6. The Issuer who is registered in Latvia shall prepare and submit to the Exchange all the notifications in Latvian and English.

*(with amendments, approved on December 17, 2009, that come into force on January 1, 2010)*

13.4.7. The Issuer who is registered in Latvia shall ensure that the announcements or financial reports in English shall be published on the Internet website of the Exchange simultaneously with the announcements or financial reports in Latvian.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

13.4.8. The Issuer who is not registered in Latvia has the right to submit the information specified herein to the Exchange only in English.

*(with amendments, approved on December 17, 2009, that come into force on January 1, 2010)*

## **14. Information to be Disclosed by Issuers on a Regular Basis**

### **14.1. Changes of the management, attorneys and auditors**

14.1.1. The Issuer shall disclose, without delay, the information about any changes in its management board or supervisory board or changes of sworn auditor or procurists. The Issuer shall send, without delay, a notification to the Exchange if any of the persons specified in this Clause files a resignation or terminates his/her contractual relations with the Issuer.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

14.1.2. If a new person has been elected or appointed in the management board or supervisory board of the Issuer, the Issuer shall submit a short description of the person's professional experience of three previous years. Share Issuer in additional shall disclose information about the number of Issuer's voting shares held by this person.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **14.2. Change of the Issuer's address or location of the office**

The Issuer shall immediately disclose the information about the changes of its legal address or actual location of the office.



### **14.3. Change of the paying agent**

The Issuer shall be obliged to disclose information on the representative of the Issuer which is authorized to perform payments regarding the Issuer's securities on behalf of the Issuer (Paying Agent) in due time.

### **14.4. Changes in the rights of investors**

14.4.1. The Issuer has to treat all holders of the securities of one type and category fairly and equally in compliance with the regulatory acts and the rules of the securities issue.

14.4.2. The Issuer shall, without delay, disclose information about all proposed changes in the rights or liabilities of holders of securities, including changes in provisions regarding debt securities, convertible bonds or all securities to which convertible bonds (the principal securities) may be converted.

14.4.3. 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 redemption of debt securities the Record date shall be set at least one (1) business day before the payment date (redemption/maturity date) unless the prospectus or terms of debt securities specify an earlier 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.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

14.4.4. When announcing the Record date, the Issuer shall also disclose the information on the rights that will be transferred, created or terminated on the Record Date.

14.4.5. 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.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

14.4.6. In case the Issuer fails to provide the information on the Record Date by the deadline specified in Clause 14.4.3, it shall be obliged to shift the Record Date and publish a respective notification, unless the Management Board of the Exchange decides otherwise.

#### **14.5. Court or arbitration court procedures**

The Issuer shall have the obligation to immediately disclose information about the court or arbitration process which has been instigated by the Issuer or against the Issuer, as well as about full or shortened ruling of the court or arbitration court, or about a ruling that has not yet entered into force, provided that the said events are affecting or may affect the price of the Issuer's listed securities.

#### **14.6. Legal protection, insolvency or liquidation**

14.6.1. The Issuer shall have the obligation to immediately disclose information, if the Issuer, its parent company or significant subsidiary of the Issuer has filed an application of legal protection procedure, an application to announce the enforcement of an out-of-court legal protection procedure or an insolvency application to the court.

14.6.2. The Issuer shall be obliged to immediately disclose the fact that an insolvency procedure against the Issuer, its parent company or a significant subsidiary has been filed.

14.6.3. The Issuer shall have the obligation to immediately disclose information if the following court rulings have been made in relation to the Issuer, its parent company or significant subsidiary of the Issuer:

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

14.6.3.1 on initiation of legal protection procedure, enforcement of legal protection procedure and approval of legal protection procedure plan and amendments thereof;

14.6.3.2. on application of out-of-court legal protection procedure and approval of out-of-court legal protection measures plan and amendments to them;

14.6.3.3. on initiation or completion of the insolvency procedure or transition from insolvency procedure to legal protection procedure.

14.6.4. If the court has made a decision regarding the approval of the Issuer's, its parent company's or significant subsidiary's legal protection or plan for an out-of-court protection measures procedure or regarding the amendments to such plan, the Issuer shall also disclose the most important terms of the plan (methods specified in the plan, enforcement term of the procedure, etc.) as well as information about the significant amendments made to such plan.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

14.6.5. The Issuer shall have the obligation to immediately disclose information about the intention to initiate the termination of the Issuer's commercial activity or liquidation.

#### **14.7. Listing on other regulated markets**

The Issuer shall have the obligation to disclose information about its intention to seek for secondary listing on another regulated market, about the approval or rejection of the listing application, and also about delisting of securities from another regulated market.

## **14.8. Annual report, interim financial report and financial information**

14.8.1. Annual report, interim report and financial information shall be prepared by the Issuer in accordance with the regulatory acts that stipulate the procedure for the preparation of reports and in compliance with the Law and the additional requirements set out herein.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

14.8.2. The Issuer shall have the obligation to submit the annual report, interim report and financial information to the Exchange not later than the timeframe for the publishing thereof under the Law.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

14.8.3. The Issuer shall have the obligation to specify not later than seven (7) days prior to the end of the report period the time (the date or the week) when the financial report will be made public.

14.8.4. The Issuer whose shares are listed on the Exchange shall provide the following information in the annual report in addition to the information referred to in the regulatory acts on the preparation of annual reports and in the Law. If the information referred to in this Clause is not included in the annual report, the Issuer, after the publication of the annual report, shall publish the separate announcement including the information specified in this Clause:

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

- 1) information about the circumstances in the result of which the financial results of the Issuer differ from previously announced forecasts for more than ten per cent (10%);
- 2) the number of the Issuer's shares which are owned by the members of the Issuer's supervisory board or management board at the end of the financial year, indicating data separately for each member of the supervisory board or management board. The shares made available for buying by the said persons, taking into account the share options granted to them, shall be specified individually; information about share options that are still effective and which have been granted to the members of the management board and supervisory board of the Issuer during the financial year, together with information about the members of the management board and supervisory board which are eligible to such options.
- 3) the list of the shareholders which own five per cent (5%) and more of the voting shares of the Issuer at the end of the respective financial year. If there are no such shareholders, a relevant confirmation shall be submitted;

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

14.8.5. *(null and void from February 1, 2021)*

14.8.6. If the net profit in the audited annual report differs from the previously published financial results for more than 10%, the Issuer shall, without delay, notify on this fact, simultaneously stating the reasons due to which such situation has occurred.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

14.8.7. The Issuer whose shares are listed on the Exchange, simultaneously with the profit or loss report, shall calculate the ratio 'earnings per share' (EPS) on the basis of the results of the reporting year and provide the said information in the documents referred to in Clause 14.8.1.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

14.8.8. *(null and void from February 1, 2021)*

14.8.9. The investment management company of a Fund or the representing company shall submit to the Exchange the financial reports of the Fund on 6 months and the annual report audited by a certified auditor within the time limits specified in the Investment Management Companies Law.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

14.8.9.<sup>1</sup> The manager of Alternative fund shall submit to the Exchange the annual report and consolidated report (if such report is prepared) not later than in the day when according to the Alternative investment funds and their managers law reports are published.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

14.8.10. In the financial report, the information about the fact if a certified auditor has audited the report shall be included.

14.8.11. *(null and void from February 1, 2021)*

#### **14.9. Forecasts of financial results**

14.9.1. If the Issuer publishes forecasts of financial results for the next reporting period or periods, and a forecast of financial results comprises extraordinary income or expenditures known to the Issuer, the Issuer shall have the obligation to separately indicate the forecasting assumptions of such extraordinary income or expenditures.

14.9.2. If after publishing the Issuer's forecasts of financial results or budget there is a reason to believe that the forecasts or financial indicators included in the budget will differ from the actual financial results for the period by more than 10%, the Issuer shall, without delay, disclose to the Exchange the information about the current situation and explain the reason for such deviation from the forecast of financial results. The Issuer shall disclose the respective information to the Exchange also if it is not possible to implement the assumptions, on which the previously published forecast was based.

**14.10.** *(null and void from February 1, 2021)*

### **15. Special Requirements as to Disclosure of Information for Share Issuers**

#### **15.1. Shareholders meeting**

15.1.1. The Issuer shall have the obligation to disclose, without delay, to the Exchange the information about the resolution to call a shareholders meeting, its date, place and other circumstances. The Issuer shall disclose the information about the agenda of the meeting, as well as on additional agenda items, if such are submitted.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

15.1.2. Not later than two (2) weeks before the shareholders meeting the Issuer shall disclose all draft resolutions included on the agenda of the meeting. The Issuer is deemed to have disclosed the draft resolutions, if they provide sufficient information for a shareholder to decide on his/her vote on the agenda item in question.

15.1.3. The Issuer shall, without delay disclose all the resolutions adopted at the meeting.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

15.1.4. If an extraordinary shareholders meeting is called, in addition to the information referred to in Clause 15.1.1 of these Rules, the Issuer shall specify also the reasons and initiators of the extraordinary shareholders meeting.

## **15.2. Dividends**

15.2.1. If the management board and supervisory board of the Issuer have proposed to the shareholders meeting to pay dividends, the Issuer shall include, in addition to other information, the following in the draft resolution on the payment of dividends:

- 1) the planned Record Date in accordance with the requirements under Clause 14.4.3 hereof;
- 2) the amount of dividends to be paid per share.

15.2.2. Together with the notification 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 and Ex-date in accordance with the requirements under Clause 14.4.3. and Clause 14.4.5. hereof;

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

- 2) the amount of dividends to be paid per share, and information on the year when the profit was made from which the dividend will be paid;

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

- 3) the dividend payment date.

## **15.3. Increase in share capital**

15.3.1. The Issuer shall disclose to the Exchange, without delay, the information about the resolution of the management board or supervisory board of the Issuer to propose to the shareholders meeting an increase in share capital.

15.3.2. The shareholders meeting shall include the following information in the prepared draft resolution on the increase in share capital (draft rules on increase in share capital) in addition to the information referred to in the Commercial Law.

- 1) The Record Date and Ex-date in accordance with the Clause 14.4.3 and Clause 14.4.5 hereof (if applicable);
- 2) information about the financial year as from which the newly issued shares benefit from profit distribution;
- 3) if a placement agreement has been signed or will be signed with a provider of investment services on primary placement of the shares (full underwriting or best efforts basis), the description of the key provisions of the agreement;

- 4) the date of payment for the subscribed shares;
- 5) a description of situations when shares are undersubscribed or oversubscribed.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

15.3.3. The Issuer shall submit to the Exchange also the rules on increase in share capital approved by the shareholders meeting together with the resolution on the increase in share capital passed by the shareholders meeting.

#### **15.4. Reduction in share capital**

15.4.1. The Issuer shall disclose to the Exchange, without delay, the information about the resolution of the management board or supervisory board of the Issuer to propose to the shareholders meeting a reduction in share capital.

15.4.2. In the resolution of the shareholders meeting on the reduction in share capital, in addition to the data required under the Commercial Law, also the information on the Record Date and Ex-date in accordance with Clause 14.4.3 and Clause 14.4.5 hereof shall be included (if applicable).

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

15.4.3. The Issuer shall disclose to the Exchange, without delay, the resolution on the reduction in share capital approved by the shareholders general meeting and the rules on the reduction in share capital.

#### **15.5. Acquisition of own shares**

15.5.1. If the Issuer takes a decision to buy its shares from its shareholders in compliance with the Commercial Law, the Issuer shall inform the Exchange about the said decision and the rules of shares acquisition.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

15.5.2. In the rules of share acquisition, the Issuer shall specify the category, number and price of the shares to be acquired, and the procedure of acquisition. If in accordance with the Rules of Share Acquisition the Issuer has planned to buy shares from one or a number particular shareholders, their first names, surnames or names and the number of shares held by them prior to acquisition shall be specified in the Rules of Share Acquisition.

15.5.3. The Issuer shall disclose to the Exchange information about proposals of the management board to the shareholders meeting regarding the following issues:

- 1) acquisition of own shares;
- 2) selling of own shares;
- 3) authorisations in relation to the resolutions referred to paragraphs 1) and 2) above.

15.5.4. The Issuer of shares shall inform the Exchange about the shareholders meeting resolutions regarding issues referred to in Clauses 15.5.3.1 and 15.5.3.2 of these Rules and about the management board resolutions on authorisation referred to in Clause 15.5.3.3 of these Rules.

## **15.6. Issue of debt securities**

The Issuer shall have the obligation to disclose information about the new debt securities issue, when a decision to make such issue is made. In the announcement to the Exchange, at least the following information shall be included:

- 1) the number of the debt securities to be issued, nominal value, maturity date and coupon rate;
- 2) a guaranty issued in relation to fulfilment of the liabilities which are attached to the debt securities of the Issuer;

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

## **15.7. Subscription to shares and debt securities**

15.7.1. If the Issuer has announced a public subscription to its newly issued shares or debt securities, the Issuer shall be obliged to publish information on the number of subscribed shares immediately after the subscription period.

15.7.2. The Issuer which has issued convertible bonds or other securities which may be converted to the shares of the Issuer in compliance with previously stipulated terms shall disclose the information about the number of subscribed securities immediately after the end of each subscription period.

**15.8.** *(null and void from February 1, 2021)*

## **15.9. Obtaining or losing significant holding in the Issuer's equity**

15.9.1. The Issuer shall be obliged to disclose to the Exchange any information received by it from a shareholder or another person on the obtaining or losing or changes in significant holding in the Issuer's equity.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

15.9.2. In the notification on obtaining or losing or changes in significant holding in the Issuer's equity, the Issuer shall provide all the information received by it from the person who/which has lost or obtained significant holding.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

15.9.3. The information referred to under Clause 15.9.1 shall be disclosed by the Issuer to the Exchange not later than it is disclosed in accordance with the Law.

## **15.10. Obtaining or losing significant holding in other commercial companies**

15.10.1. The Issuer shall disclose, without delay, information about the obtaining or losing significant holding in another commercial company.

15.10.2. For the purpose of these Rules, the Issuer shall be deemed to have obtained or lost significant holding in another commercial company if at least one of the following criteria is fulfilled:

- 1) if the assets value on the balance sheet, the share capital or the turnover of the commercial company the capital shares of which are obtained or alienated by the Issuer, is 10% or more of the respective items of the Issuer according to the last audited annual report or consolidated annual report of the Issuer, if the Issuer prepares consolidated annual report, and the commercial company as the result of this transaction becomes or remains the Issuer's subsidiary or the company which will be consolidated with the Issuer.
- 2) if the transaction amount payable or due for the capital shares of the commercial company is or exceeds 10% of the equity capital of the Issuer according to the last audited annual report or consolidated annual report of the Issuer, if the Issuer prepares consolidated annual report.

15.10.3. In the notification about the obtaining or losing significant holding, as minimum the following information shall be provided by the Issuer:

- 1) the name, sphere of activity and a brief description of business of the commercial company, in which the Issuer obtains or loses the capital shares;
- 2) the amount of the significant holding to be obtained or alienated in financial terms and its share in per cent in the share capital of the commercial company;
- 3) the purpose of obtaining or alienating holding and its influence on the business of the Issuer. If the notification about obtaining or losing significant holding comprises a forecast about the influence of the transaction on the business of the Issuer under next reporting periods, also a description of the assumptions and circumstances on which the forecasts are based shall be included in the notification;
- 4) the amount to be paid or paid, due or received for the capital shares and the terms and conditions of payment;
- 5) the last three years' financial results (turnover, net profit or loss, dividends paid) of the capital company, in which the Issuer obtains or alienates the capital shares;
- 6) the information about the court or arbitration procedures, in which the commercial company, whose capital shares are obtained or expropriated by the Issuer, is involved, and which may materially influence the commercial company's business, or a statement that there are no such procedures;
- 7) the information about material agreements in force between the Issuer and the commercial company, whose capital shares are obtained or alienated by the Issuer.

15.10.4. When assessing the significance of obtaining or losing significant holding, all the purchases and sales of the shares of one company during the last twelve (12) months shall be examined cumulatively on the basis of the criteria referred to in Clause 15.10.2 hereof.



### **15.11. Information about Issuer's reorganisation**

15.11.1. The Issuer shall disclose to the Exchange, without delay, information about its proposal to the management board, supervisory board or shareholders meeting of the Issuer or a resolution of the same to propose reorganisation in way of merging, splitting or transforming.

15.11.2. The Issuer shall disclose to the Exchange, without delay, information on the progress of the reorganisation and the decisions taken in connection thereto and the related approved documents to be disclosed to the shareholders in compliance with the relevant legal acts. When providing the information referred to in this Clause, if shareholders will be required to exercise certain rights by a certain date and if after this date these rights will no longer be available, this date shall be set and disclosed and also the information about these rights and Record date, when the persons having these rights are going to be fixed, shall be disclosed.

*(with amendments, approved on September 18, 2017, that come into force on September 25, 2017)*

15.11.3. The Issuer shall be obliged to publish the prospectus of reorganisation in accordance with the procedure set out herein following the approval thereof.

### **15.12. Information about share options issued to the management and employees of the Issuer**

15.12.1. In the interpretation of these Rules, a share option issued for the management and an employee of the Issuer means an agreement according to which the Issuer gives the rights to the members of the management board, supervisory board and the employees of the Issuer or its subsidiary to buy the Issuer's shares at a time and according to terms and conditions specified in advance.

15.12.2. The Issuer shall have the obligation to disclose information about its management body or business unit which is authorized to issue the share options to the Issuer's managers and employees. In this notification, at least the following information shall be included:

- 1) the criteria and procedure for the determination of the persons eligible to the share options, the number of the shares to be sold to them, and the maximum number of shares which one person is entitled to buy in compliance with the rules of the share option plan. If one or more members of the Issuer's supervisory board are eligible to the share options, the information about the number of the shares to be sold/allocated to the each member of the supervisory board or the principles for the determination of the number of shares shall be provided.
- 2) the maximum number of purchased or issued shares for the fulfilment of the conditions of share option, the schedule of the share option plan and the timeframe of the share option exercising.
- 3) the price at which the share option can be exercised;
- 4) the financial year in which the shares issued for the purpose of the share option plan are eligible to dividends.

- 5) the category of the shares to be issued for the purpose of the share option plan and description of the rights attached to the shares, if different from those attached to the shares issued by the Issuer at an earlier time;
- 6) other important conditions of the share option.

15.12.3. If the proposal on a share options issue has been passed to the shareholders meeting for approval, the information referred to in Clause 15.12.2 hereof shall be included in the draft resolution prepared for the shareholders meeting.

### **15.13. Conditions of share options given to the management and employees of the Issuer**

15.13.1. When defining the rules of the share options allocated to the management and employees of the Issuer, the Issuer shall conform to the following requirements:

- 1) if the Issuer issues new shares for the purpose of the share option plan, the fixed price of the share option exercising may be lower than the weighted average price of the share on the trading day before the date of approving the terms and conditions of the share option only in event, if the lower price has been approved by the supervisory board (if the share options will be allocated to employees and members of management board) or the shareholder meeting (if the share options will be given also to the members of supervisory board);
- 2) if no new shares have been issued by the Issuer for the purpose of the share option plan, the fixed price of share option exercising may not be lower than the weighted average price of the purchased shares;
- 3) the rules of share options may prescribe that each person is eligible to maximum 25% of the total amount of shares to be sold in the scope of the respective share option;
- 4) if new shares for the fulfilment of the conditions of the share option have not been issued by the Issuer, the conditions of share option shall be approved by the Issuer's shareholder meeting, in compliance with the rights specified by regulatory acts for the Issuer to acquire its own shares. Purchasing the shares in the secondary market may not be commenced sooner than on the tenth trading day as from disclosing the resolution of shareholder meeting to the Exchange;
- 5) if the Issuer has entered into an agreement with a shareholder (shareholders) on the acquisition of shares needed for the fulfilment of the rules of the share option, or if the Issuer plans to enter into such agreement, the Issuer shall disclose to the shareholder meeting the information about the rules for obtaining the respective shares and about the respective shareholder (shareholders), with whom it has entered or is planning to enter into such agreement;
- 6) if for the fulfilment of the share option new shares have not been issued, the total nominal value of the shares to be acquired for the fulfilment of the share option during one calendar year may not exceed 5% of the Issuer's share capital;
- 7) if the rules of the share option prescribe that the share options are allocated to the members of supervisory board, the rules of the share option shall be approved by the shareholder meeting.

15.13.2. The rules of the share option, which have been approved by the shareholder meeting, may be altered for the benefit of the holders of the share options only by a new resolution of the shareholder meeting, except the changes that are required in compliance with the requirements of the regulatory acts, which have come into effect after the announcement published in accordance with clause 15.12.2 of these Rules.

15.13.3. Upon permission from the Exchange, the Issuer may change the fixed price of the share option exercising, if the price of the Issuer's shares is affected by respective events (issue of bonus shares, share split).

#### **15.14. Corporate governance**

An Issuer whose shares are listed on the Exchange lists, in compliance with the principle "comply or explain", shall disclose information on the corporate governance recommendations (principles) that the Issuer applies. The report on the implementation of the corporate governance recommendations (principles) shall be submitted by the Issuer to the Exchange together with an audited annual report. If the Issuer doesn't apply Corporate Governance Principles and Recommendations on their Implementation approved by the Exchange, the place where corporate governance principles applied by the Issuer are available shall be disclosed in the report on implementation of the corporate governance recommendations (principles).

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **16. Special Requirements as to Disclosure of Information for Issuers of Debt Securities**

#### **16.1. Application of the general requirements for disclosing of regular information**

16.1.1. If the Issuer of debt securities is a commercial company, all the requirements as to disclosure of regular information as set out in Chapter 14 hereof shall apply to the Issuer.

16.1.2. If the Issuer of debt securities is a state or local government establishment, the requirements as to disclosure of regular information as set out in Chapter 14 hereof shall apply to it insofar they can be applied, considering the status of the Issuer.

#### **16.2. Information about payments of interest**

16.2.1. The Issuer shall disclose, without delay, the resolution of an authorised institution of the Issuer about non-payment of interest on lost debt securities or partial payment of interest.

16.2.2. Payments of interest are regular payments of interest made in compliance with the issue prospectus or issue rules to the holders of debt securities.

#### **16.3. Information about call of debt securities prior to maturity**

16.3.1. The Issuer shall publicly disclose, without delay, the information about the resolution of the authorised institution of the Issuer on redemption and/or deletion of debt securities prior to maturity date stipulated in the prospectus.

16.3.2. In the notification on calling of debt securities prior to maturity, the Issuer shall disclose information on the number of debt securities, the procedure of calling and the amount payable per debt security to the investors.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

#### **16.4. New issue of debt securities**

The Issuer shall publicly disclose, without delay, information about any new debt securities issue, when a decision to make such issue is made. In the announcement to the Exchange, at least the following information shall be included:

- 1) the number of the debt securities to be issued, nominal value, maturity date and coupon rate;
- 2) a guaranty issued in relation to fulfilment of the liabilities which are attached to the debt securities of the Issuer;

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

#### **16.5. Reduction in share capital**

16.5.1. The Issuer (commercial company) shall have the obligation to disclose, without delay, information about a planned reduction in the Issuer' share capital and notify about the time and venue of the shareholders/participants meeting at which the reduction is to be discussed.

16.5.2. After adoption of the resolution, the Issuer shall submit to the Exchange, without delay, an information about the resolution on the reduction in share capital adopted at the meeting.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### **17. Special Information Disclosure Requirements for Investment Funds**

#### **17.1. Changes in the documents that regulate the operation of the investment fund**

Investment management companies and Alternative fund managers (hereinafter within this Chapter both together called – Managers) shall have the obligation to disclose, without delay, to the Exchange all changes in the information and the documents which respective Manager was submitted to the Exchange together with the application for the listing of the investment certificates on the Exchange.

#### **17.2. Value of the investment fund share**

The Manager shall inform the Exchange about the value of investment funds share for the period determined in the agreement entered into between the Manager and the Exchange.

#### **17.3. Liquidation of investment funds**

The obligation of the Manager or the custodian bank shall be to notify the Exchange, without delay, about the decision to initiate the liquidation of an investment fund.

#### **17.4. Change of investment funds, Manager and custodian banks**

17.4.1. The Manager shall disclose information about the changes of their shareholders, members of the supervisory board and the management board, as well as about change of the Manager of the investment fund which investment certificates are listed on the lists of the Exchange.

17.4.2. The Manager shall inform, without delay, the Exchange about resolutions of the Commission that restrict the operations of the Manager or revoke the license.

17.4.3. The Manager shall have the obligation to disclose decision about merging, splitting or reorganising of the Manager or custodian bank, as well as about a transfer of management rights of the investment funds to another company or to the custodian bank.

17.4.4. The Manager shall disclose, without delay, the fact of insolvency application against the Manager or the custodian bank.

#### **17.5. Other information**

17.5.1. The Manager shall disclose, without delay, all circumstances in relation to a violation in accordance with the requirements for the investment fund and/or the Manager set forth in legal acts. In the statement about the violation, a description of the violation shall be included, as well as the measures which the Manager has taken or is planning to take to eliminate the violation and its consequences.

17.5.2. The Investment management company shall inform, without delay, about violations of applied investment restrictions regarding the Fund, as well as about the violations of the prospectus, Fund regulations, management agreement or custodian bank agreement, about any statements by the custodian bank about the investment management company acting in contradiction to the legal acts, the investment management company Clauses of Association/Charter, the custodian bank agreement or Fund management rules. The notification shall contain the description of the violation and the measures taken or planned to be taken for the prevention of the violation and its consequences.

17.5.3. The Alternative fund manager shall submit, without delay, to the Exchange all the information about the activities and management of the Alternative fund that according to The Alternative investment funds and their managers' law shall be disclosed to the investors of the respective fund.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

## V. SURVEILLANCE

### 18. General Provisions of Surveillance

- 18.1. In the interpretation of these Rules, the term 'surveillance' shall mean the surveillance of the Issuers by the Exchange in compliance with the provisions of the Law and these Rules.
- 18.2. The Exchange may set up one or a number of institutions (committees) for Surveillance, delegating its Surveillance tasks to the said institutions in full or partially. In the latter case, the scope of authorities of the committee shall be determined herein. The general principles of work and organisation of work of the committee shall be set out in the regulation of the relevant committee that is subject to approval of the Council of the Exchange.
- 18.3. The Exchange shall immediately inform the Commission if the Exchange concludes that the Issuer has violated the requirements of the Law or these Rules, as well as of the decisions taken in relation to these infringements..

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

### 19. Obligations and Rights of the Exchange in Surveillance Activities

- 19.1. The obligation of the Exchange shall be to monitor on a daily basis conformity of activities of the Issuers to these Rules and whether they comply with resolutions, instructions, procedures and recommendations of the Management Board of the Exchange, and decisions taken by the Exchange Members and Issuers Surveillance Committee (hereinafter - the Surveillance Committee) established in accordance with Clause 18.2 of the Rules.
- 19.2. In order to fulfil its obligations, the Exchange shall have the rights to:
  - 19.2.1. request from the Issuers information and documents regarding the requirements for the Issuers and securities listing (including requirements in relation to a transaction prohibition on the grounds of Inside information);
  - 19.2.2. request from the Issuers other information necessary for its work in order to evaluate whether the Issuers and their activities conform to the provisions of the Exchange Rules and legal acts.

*(with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*

- 19.2.3. copy and make excerpts from the documents and information provided by the Issuer.
- 19.3. The Exchange sets an obligation for all members, employees and representatives of the Management Board of the Exchange to observe for an unspecified time the confidentiality of all the information received in connection with the surveillance of the Issuers. This obligation shall not apply to publicly accessible information as well as the information which has to be disclosed in compliance with the requirements of regulatory acts and these Rules.

## **20. Surveillance Activities**

### **20.1. Placing issuers on observation status**

20.1.1. The Exchange shall give 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 financial instrument or its Issuer.

20.1.2. Issuers shall be placed on observation status in the following cases:

- 1) if the Issuer has commenced liquidation process or the Issuer's insolvency has been instituted;
- 2) if the Issuer has admitted its insolvency or the Issuer has had permanent insolvency problems;
- 3) if there are legal proceedings regarding a case which may materially influence the Issuer or its further activity;
- 4) if the Issuer or the financial instruments issued by it and listed on the Exchange do not conform to the listing requirements under the Law and these Rules;
- 5) if the Issuer fails to disclose the information to be disclosed on a regular basis as specified herein in due time and manner;
- 6) if the Issuer repeatedly or materially violates the requirements on disclosure of information as specified herein;
- 7) if a delisting application has been submitted or in the next six (6) months it is planned to perform activities in the result of which the financial instruments of the Issuer (except delisting of debt securities from the Exchange lists due to redemption) would be delisted;
- 7<sup>1</sup>) if the shares buy out offer has been announced or the public announcement about intention to execute such offer has been made;
- 8) 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.
- 9) if other circumstances influencing the Issuer's activity have occurred which may materially threaten the interests of the investors, and in cases when it is important to turn the attention of market participants to a substantial circumstance related to the relevant financial instrument or its Issuer;

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

20.1.3. The resolution on placing the Issuer on observation status shall be adopted by the Management Board of the Exchange.

20.1.4. If the Management Board of Exchange adopts the resolution on placing the Issuer on observation status, the trading system and Internet website of the Exchange shall display a specific mark next to the relevant Issuer and its financial instruments, allowing the market participants to identify that the Issuer has been placed on observation status.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

20.1.5. Placing issuers on observation status shall not apply restrictions on the trading with the financial instruments, as well as it shall not free the Issuer from the obligation to disclose information in compliance with the provisions of these Rules.

20.1.6. The Exchange shall immediately inform the Issuer if the Issuer and its financial instruments have been placed on observation status, sending to the Issuer information about the resolution and the justification for its adoption. If the Issuer wants to comment the resolution of the Exchange, the Issuer shall submit a public statement to the Exchange.

20.1.7. After the adoption of the resolution on placing on observation status the Exchange shall disclose, without delay, the notification about it on its Internet website, describing the circumstances justifying the resolution.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

20.1.8. If the circumstances due to which the observation status was applied have ceased, the Management Board of Exchange shall immediately adopt the resolution on removing the observation status from the Issuer and its financial instruments and inform the Issuer about the decision and publish a relevant notification on its Internet website.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

## **21. Sanctions**

### **21.1. Types of sanctions and application thereof**

21.1.1. Except the cases referred to under Clause 21.1.2 hereof, the Exchange shall have the right to apply the following sanctions for violations of these Rules:

- 1) issue a warning;
- 2) impose a fine;
- 3) delist the Issuer's securities from the Exchange.

21.1.2. The Exchange shall not impose sanctions if the Issuer has not disclosed any of the information specified herein if the obligation to publish the same is stipulated in the Law or in the directly applicable legislation of European Union.

*(with amendments, approved on January 15, 2021, that come into force on February 1, 2021)*

21.1.3. The decision on the application of the said sanctions on the Issuer may be taken by the Management Board of the Exchange and the Surveillance Committee within the scope of their competence as specified herein.

21.1.4. In assessing the circumstances of every violation, the Management Board of the Exchange shall have the right to deal with any of the issues referred to herein that are within the scope of competence of the Surveillance Committee and to decide on application of relevant sanctions on the Issuer.



## **21.2. Issuing a warning**

- 21.2.1. The Management Board of the Exchange shall have the right to take a decision on issuing a warning to an Issuer if the Issuer has violated provisions of these Rules, inter alia the procedure of disclosure of information as set out herein, or if the Issuer has not complied or duly complied with any instructions of the Exchange.
- 21.2.2. The Exchange shall, without delay, notify the Issuer in writing about the warning and explain the reasons for issuing it.
- 21.2.3. If the Issuer has not eliminated the established violations following the warning issued by the Exchange, or if the Issuer repeatedly violates the procedure of disclosure of information as set out herein within 12 months, or if the interests of investors might be materially infringed due to the violation permitted by the Issuer, the case materials may be submitted to the Surveillance Committee, which shall be entitled to issue a warning to the issuer or apply any of the sanctions specified herein.

## **21.3. Imposing a fine**

- 21.3.1. The Exchange shall have the right to impose a fine on the Issuer in the following cases:
- 1) if the interests of investors are or might be materially infringed due to the violation permitted by the Issuer;
  - 2) if the Issuer has not rectified the violation following a warning;
  - 3) if the Issuer repeatedly within 12 months violates the requirements on disclosure of information specified herein.
- 21.3.2. The Exchange shall have the right to impose a fine from EUR 70 to EUR 28,000 on the Issuers.
- (with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*
- 21.3.3. The resolution on imposing a fine on the Issuer may be taken by the Surveillance Committee. In the resolution, the Surveillance Committee shall determine the date until which the fine has to be paid.
- 21.3.4. In deciding on the amount of fine, the nature of the violation and its influence on regular and transparent operation of the market and other circumstances shall be assessed.
- 21.3.5. If the Issuer has not eliminated the violation in question during the period in which the Surveillance Committee is deciding on the imposition of a fine, the Surveillance Committee shall have the right to decide that the fine is to be paid for every day from the notification of the decision to the Issuer to the day on which the Issuer has eliminated the violation; however, the total amount of fine may not exceed EUR 28,000.
- (with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*
- 21.3.6. The Exchange shall inform the Issuer in writing about imposing a fine and the circumstances on the grounds of which the resolution has been adopted.

## **21.4. Delisting of financial instruments from the Exchange**

21.4.1. The Exchange shall have the right to take a decision on delisting of financial instruments of the Issuer from the Exchange upon initiative of the Exchange in the following cases:

- 1) if the Issuer or the financial instruments issued by it do not conform to the requirements specified in these Rules;
- 2) The Issuer has repeatedly or materially violated the provisions of these Rules;
- 3) If the interruption of the trade with financial instruments of the Issuer has been longer than six months and if the Issuer has not taken measures to prevent the circumstances on the grounds of which trading was suspended;
- 4) other circumstances in the result of which it is not possible to continue trading with the financial instruments of the Issuer in compliance with the procedure determined in these Rules have occurred;
- 5) the Issuer has not paid the specified listing fee to the Exchange upon repeated notice

21.4.2. The Exchange shall have the right to decide on delisting of investment certificates from the Investment Fund List if the investment management company or Alternative fund manager has violated the legislation applicable to them and the requirements of these Rules.

*(with amendments, approved on February 12, 2016, that come into force on February 22, 2016)*

21.4.3. The decision on delisting of financial instruments may be taken by the Management Board of the Exchange or the Surveillance Committee in accordance with the Law and these Rules.

21.4.4. Prior to taking the decision on delisting of financial instruments from the Exchange lists, the Exchange shall have the right to invite Management board members of the Issuer to a meeting of the Exchange Management Board or the Surveillance Committee to discuss the circumstances due to which the delisting of Issuer's financial instruments from the Exchange is to be considered or to discuss with them the measures to be taken to eliminate the failures and to give the Issuer a possibility to provide written explanations. The Exchange may set a time limit for the Issuer to eliminate the failures or to provide a relevant action plan.

21.4.5. The date of entering into force shall be specified in the decision of the Surveillance Committee on the delisting of financial instruments from the Exchange. The date of entering into force shall be set in accordance with the interests of investors.

21.4.6. The Exchange shall immediately inform in writing the Issuer about the delisting decision. In the notification, the Exchange shall specify the circumstances on the grounds of which the Exchange Surveillance Committee has taken the delisting decision.

21.4.7. The Exchange shall publish, without delay, the delisting decision on its Internet website.

*(with amendments, approved on December 19, 2019, that come into force on January 1, 2020)*

## **22. Arbitration**

22.1. All disputes arising between the Exchange and the Issuers and between the Issuers and which may not be solved by settlement between the parties shall be settled by the Arbitration Court of Latvian Commerce and Industry Chamber in compliance with the Regulation of the Arbitration Court.

*(with amendments, approved on November 13, 2013, that come into force on January 1, 2014)*

22.2. The Issuers shall have the right to dispute the resolutions adopted by the Management Board of the Exchange and the Surveillance Committee within thirty (30) days of the adoption of the resolution.

## **23. Closing Provisions**

23.1. These Rules shall enter into force in compliance with the procedure stipulated by the Law.

23.2. As of the moment of these Rules entering into force, the *Rules on Listing and Trading of Financial Instruments in the Markets Regulated by the Exchange* approved by the Riga Stock Exchange Supervisory Board on August 31, 2004 and all and any amendments thereto shall become null and void.