



Rules
of Multilateral Trading Facility
First North

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I GENERAL PROVISIONS

1. Scope of application

- 1.1 These rules of a multilateral trading facility (hereinafter: the MTF) operated by Nasdaq Tallinn AS (hereinafter: the Exchange and also Nasdaq Tallinn) (hereinafter: the Rules), set out the requirements and procedure for admission to trading of financial instruments on the MTF operated by the Exchange (hereinafter: First North), the requirements for financial instruments admitted to and submitted for admission to trading on First North and the requirements for Issuers and their Certified Advisers.

In addition to the regulation set forth in these Rules, the Rules of the Exchange/regulated market (hereinafter: Rules of the Exchange) shall be applied to the procedural questions of admission to trading of financial instruments on First North.

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

- 1.2. These Rules shall also provide the basis and conditions for trading and clearing and settlement of financial instruments on First North.
- 1.3. These Rules shall also provide the basis, conditions and procedure for suspending trading in financial instruments, termination of trading and surveillance activities, including sanctions and other matters connected with ensuring secure and transparent trading with the financial instruments admitted to trading on First North.
- 1.4. The Exchange shall establish and apply the Rules in accordance with laws to ensure the lawful operation of MTF.

The Rules shall be established and amended by the Management Board of the Exchange. The Management Board has a right to unilaterally amend the Rules. The provisions of law regarding unreasonably harmful standard conditions shall not apply with respect to the Rules.

The amendments to the Rules shall enter into force as from the moment of their publication of the web page of Exchange, unless the latter date has been provided in the amendments.

The Management Board of the Exchange has a right to impose guidelines, explanations, recommendations, and other criteria (hereinafter: The Other Rules) for the purpose of implementing, clarifying or specifying the Rules, which shall enter into force as from the moment of their publication of the web page of Exchange, unless the latter date has been provided in the decision of the Management Board.

2. Definitions used in the Rules

- 2.1. For the purpose of these Rules, definitions used herein, which are not otherwise defined within the text are understood as follows:

- 2.1.1. **Admission to trading** - the inclusion of financial instruments on the First North and trading with them in the trading system of the Exchange.
- Supplemental admission to trading** – admission to trading of the financial instruments of the same type or debt instruments under the same program admitted to trading on First North.
- 2.1.2. **Certified Adviser** – a legal entity that complies with the requirements set forth in these Rules and has concluded an agreement with the Exchange to assist Issuers and operate as a Certified Adviser on First North.
- 2.1.3. **FSA** – Financial Supervisory Authority
- 2.1.4. **First North** – a MTF or so-called alternative market operated by the Exchange, which is not a regulated market for the purposes of the Law and other legal acts.
- 2.1.5. **Issuer** - a company that applies for admission to trading or whose financial instruments are admitted to trading on First North.
- 2.1.6. **SMA** – Securities Market Act.
- 2.1.7. **Register** – Estonian Register of Securities
- 2.1.8. **Traded instruments** – financial instruments that are admitted to trading on First North within the trading system of the Exchange.
- 2.1.9. **Listing Body** – the body(ies) of the Exchange authorized to make decisions regarding admission to trading, suspending of trading or termination of trading, to make decisions regarding surveillance, incl. imposing sanctions in accordance with the Rules of Exchange and grant exceptions from requirements.
- 2.1.10. **Baltic Exchanges** - for the purposes of these Rules, shall mean Nasdaq Tallinn, Nasdaq Riga and Nasdaq Vilnius (separately also referred to as Baltic Exchange)
- 2.1.11. **Home Exchange** - for the purposes of these Rules – in the case of a Certified Adviser registered in a Baltic State (the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania), the Baltic Exchange operating First North in that Baltic State where the Certified Adviser is registered. In the case of Certified Adviser registered outside the Baltic States, that Baltic Exchange to whom the application for Certified Adviser status was filed first or through whom an application was filed to other Baltic Exchanges.
- 2.1.12. **Trading system** – electronic system used by the Exchange for enabling trading with securities.
- 2.1.13. **Market Abuse Regulation** or **MAR** - Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
- 2.2. All other terms and definitions used in these Rules from time to time have the same meaning as in SMA or other legal acts or in common meaning of

securities market and should be understood so.

II ADMISSION TO TRADING

3. Requirements for Issuers

- 3.1. The Issuer must be a duly registered company and its establishment and activities shall be in compliance with the laws and other legal acts of its country of location (home state), its Articles of Association and these Rules.
- 3.2. Issuers are subject to these Rules, SMA and to requirements of other legal acts, including the legal acts that regulate the public offers and disclosure of information.
- 3.3. The Exchange has the right not to admit to trading the financial instruments of an Issuer against which liquidation proceedings or insolvency or bankruptcy procedure or a moratorium has been initiated before or at the time of the submission of the Application or who has had regular or permanent solvency problems during this period.
- 3.4. The economic, legal or other activities or situations of the Issuer shall not jeopardise the interests or fair and equal treatment of investors.
- 3.5. As of the day of filing the Application, the Issuer shall conclude an agreement with a Certified Adviser; this requirement is not applicable to the Issuer which shares are traded on EU or EEA regulated market. The requirements for Certified Advisers are set forth in Chapter IV below. If the Exchange terminates the agreement with the Certified Adviser of an Issuer, the Issuer shall conclude a new agreement with another Certified Adviser within two (2) months.

In case the Issuer applies for admission to trading of debt securities, the Issuer shall conclude an agreement with Certified Adviser covering at least the Application period until the first day of trading. The Issuer and Certified Adviser may decide to continue the agreement after admission to trading. Issuers whose shares are already admitted to trading on EU or EEA regulated market or other First North markets are exempted from this requirement.

- 3.6. The Issuer shall comply with the requirements regarding the disclosure of information as specified in these Rules.
- 3.7. The Issuer shall pay the fees to the Exchange as set forth in the price list valid at the time.

4. Requirements for the Financial Instruments

- 4.1. All and every kind of financial instruments permitted by legal acts may be admitted to trading on First North taking into consideration the additional requirements set forth in these Rules.
- 4.2. No quantity requirements or restriction shall apply to financial instruments admitted to trading on First North.
- 4.3. Financial instruments submitted for admission to trading on First North shall be freely transferable and the transfer right of the financial instruments or right to pledge them shall not be restricted by the Articles of Association the Issuer.

- 4.4. Financial instruments submitted for admission to trading on First North shall be in compliance with the provisions of laws and other legal acts and these Rules and other Rules of the Exchange and shall be issued in accordance with the applicable legislation and the provisions of the Articles of Association of the Issuer.
- 4.5. Only dematerialised (electronically issued) financial instruments may be submitted for admission to trading.
- 4.6. Financial instruments submitted for admission to trading shall be registered with Register or some other similar register or database with which relevant settlement arrangement is in place and which, according to the opinion of Exchange adequately ensures appropriate settlement and execution of the obligations arising from securities transactions (hereinafter: Issuer's depository).
- 4.7. All financial instruments of the same type or coequal (e.g. shares of the same type, debt securities under the same offering programme), admitted to trading on First North, shall be admitted to trading.

If, as a result of a new issue or debt instruments offering programme, shares of the same type or debt instruments under the same offering programme as the shares or debt securities, respectively, admitted to trading on First North, are issued, an Issuer shall apply for their admission to trading in accordance with these Rules (Supplemental admission to trading). The Issuer shall submit an Application no later than on the day when the financial instruments are transferred to the accounts of its holders.
- 4.8. Financial instruments admitted to trading on First North are divided into the groups based on the type of the financial instruments.

5. Application for Admission to Trading

- 5.1. Issuer willing to apply for admission to trading on First North shall submit the following documents to the Exchange:
 - 5.1.1. an application for the admission to trading of the financial instruments (Application). The Application shall be submitted in the form established by the Exchange and contain all the information required by legislation and the Exchange;
 - 5.1.2. a copy of B-part of the Issuer's registry certificate with Commercial Register or similar document which certifies the legal status of the Issuer (the fact of registration);
 - 5.1.3. a certified copy of the Articles of Association (extract from Commercial Register);
 - 5.1.4. a copy of the resolution of the Issuer's competent body regarding applying for admission to trading (extract from minutes of the meeting);
 - 5.1.5. a trading prospectus (or public offer prospectus) drafted and registered in accordance with the requirements of the SMA, or a Company Description if the Issuer in accordance with the SMA is not obliged to publish an trading prospectus (public offer prospectus);

- 5.1.6. Issuer shall submit audited annual reports for at least two years in accordance with the accounting laws applicable to the Issuer in its home state;
 - 5.1.7. a report of the Management Board of the Issuer regarding the business plans of the Issuer for the current and at least the next reporting period. The business plan shall not be submitted if the relevant information is disclosed in the prospectus or Company Description;
 - 5.1.8. an agreement with a Certified Adviser or an extract from such agreement setting forth the obligations of the Issuer and the Certified Adviser;
 - 5.1.9. In the format established by the Exchange, copies of the Issuer's written consents to the FSA and Certified Adviser concerning the fact that the Exchange has the right to receive information, incl. regarding possible violations, directly from the bodies engaging in supervision of the Issuer's activities and the Certified Adviser both during the admission procedure and during the entire period when the Issuer's financial instruments are traded on First North;
 - 5.1.10. Considering the specific circumstances, the Listing Body has the right, on the basis of relevant application, to make exemptions and decide that the submission of some of the documents listed in clause 5.1. are not necessary for making an Admission Decision; the Listing Body, considering the specific circumstances, is also entitled to request additional information and documents.
- 5.2. Issuer applying for supplemental admission to trading on First North is not required to submit the documents stipulated in clauses 5.1.2-5.1.9, provided that the document containing relevant information is submitted beforehand or made publicly available.
 - 5.3. Issuer, whose shares are traded on EU or EEA regulated market, is not required to submit documents stipulated in clauses 5.1.2.-5.1.3. and 5.1.5.-5.1.9. provided that the document containing relevant information is submitted before or made publicly available.
 - 5.4. Issuer of debt securities with nominal value per unit of 100.000 EUR or greater or an equivalent amount in another currency is exempted from the requirement in clause 5.1.6.
 - 5.5. Issuer of debt securities which are fully guaranteed and where the guarantor has published financial reports for at least two years in accordance with the accounting laws applicable in the guarantor's home state is exempted from the requirement in clause 5.1.6 provided that financial reports are publicly available and referred to in the Application.

6. Company Description and Securities Note

- 6.1. The Issuer shall prepare the Company Description in cooperation with its Certified Adviser.
- 6.2. The Company Description shall contain at least the following information:

- 6.2.1. a description of the Issuer, including the business model, organization, competitive situation, most significant markets, most significant risk factors, and the reasons for the decision to apply for admission to trading including the intended use of received revenue (intended use of proceeds);
- 6.2.2. a description of the ownership structure exceeding 5% threshold (name of shareholders that hold 5% or more of the Issuers voting rights), and any shareholdings, direct or indirect, (i.e. through controlled and connected persons) in the Issuer held by the Members of Management or Supervisory Boards of the Issuer management and Certified Adviser;
- 6.2.3. the information regarding the Issuer's Management Board and Supervisory Council members;
- 6.2.4. the information regarding the Certified Adviser, including business name, identification code (Business ID), main fields of activity, names of representatives who will provide Advisory services to Issuer, and the expected duration of the agreement with Certified Adviser;
- 6.2.5. any and all information related to the financial instruments to be admitted to trading on First North, and the issue/offering of securities, including type of financial instruments, issue currency, total volume of the issue, rights related to the financial instruments, share capital of the Issuer, terms and conditions of offering and subscription of financial instruments, and any other information related to the issue and instruments required for the admission to trading on First North;
 - 6.2.5.1. In case debt securities are applied for admission to trading, the following additional information should be provided (hereinafter: Securities Note):
 - 1) information about arranger/issue organizer and paying agent, nominal value and number of instruments, sale/initial price.
 - 2) Interest rate (calculation principles in case of variable rate), interest rate payment frequency, interest calculation principles, maturity date, redemption terms (incl. early redemption, put or call options), redemption price, information about guarantee and guarantor, investor rights if issuer breaches obligations deriving from issuing bonds, description about assets backing the debt securities.
 - 3) information about most significant risk factors, the reasons for the decision to apply for admission to trading and the intended use of proceeds.
- 6.2.6. information regarding any ongoing legal proceedings or legal proceedings during previous reporting periods against the Issuer, any insolvency applications, instituted insolvency proceedings, as well as any legal proceedings in connection with fraud or other economic violations in which Management Board Members or

- Supervisory Board Members or other officers (senior officers) of the Issuer have been involved;
- 6.2.7. a description of the Issuer's transactions with major owners of the Issuer and the Members of Management and Supervisory Board and other managers of the Issuer and also their connected persons and persons close to them (as defined in the Rules of the Exchange);
 - 6.2.8. a description of any share-based incentive programmes, extraordinary bonus programs, etc., including the market value of such programs;
 - 6.2.9. overviews of significant contracts/patents etc.; For the purposes of these Rules, a contracts/patents are deemed to be significant, if their value exceeds ten (10) per cent of consolidated owner's equity of the Issuer. Subsidiary is deemed to be significant if its total assets, sales or net profit/loss according to the latest annual report exceeds ten (10) per cent of the consolidated total assets, sales or net profit/loss of the group;
 - 6.2.10. the Issuer shall provide information regarding the planned further operation, forecasting the planned financial results and the justification thereof;
 - 6.2.11. any other substantial information that in any way might influence an investor's decision to buy or sell financial instruments of the Issuer or influence their price.
 - 6.2.12. Issuers of debt securities, whose financial instruments are already traded on EU or EEA regulated market, other First North markets or an equivalent recognized market place, shall prepare Securities Note instead of Company Description, provided that Securities Note contains information required in clause 6.2.5. and the remaining requirements in 6.2. are publicly available, at least in English and referred to in Securities Note.
- 6.3. The Management Board shall be responsible for the Company Description and shall sign a statement in the Company Description as to the righteousness and correctness of the Company Description; the same is applicable to the Securities Note
 - 6.4. If a prospectus shall be prepared and published pursuant to the current Prospectus Directive after the Company Description/Securities Note has been submitted to Exchange, such prospectus shall replace it.

7. Publication of Prospectus or Company Description and Financial Reports

- 7.1. The Exchange shall publish the Prospectus or Company Description or Securities Note and Financial Reports submitted under these Rules and also the decision on admission to trading (Admission Decision) on its web-page immediately after the Listing Body has passed the Admission Decision, however, in any event not later than three (3) business days before the first trading day with the relevant financial instruments, unless prescribed otherwise by law.
- 7.2. After submitting the Application to the Exchange, the Issuer shall inform the

Exchange, without delay, about any circumstances that have occurred during the Admission Procedure or examination of the Application if such circumstances may affect the price of the financial instruments or an investor's decision regarding performing transactions with the financial instruments.

- 7.3. The Issuer shall inform the Exchange, without delay, about any circumstances that have occurred during the period between publishing the prospectus or Company Description or Securities Note and Admission to Trading on the First North if these circumstances may affect the price of the issued financial instruments and the interests of investors (hereinafter: material events). The Issuer has the obligation to describe all these events in the supplement to the prospectus or Company Description or Securities Note.
- 7.4. The Exchange shall immediately publish the information received from the Issuer in cases mentioned in clauses 7.2. and 7.3. on the website of the Exchange.

8. Procedure of Admission to Trading

- 8.1. The purpose of the procedure of admission to trading (hereinafter: Admission Procedure) is to determine the eligibility of the financial instruments for trading on First North.
- 8.2. The decision on admission to trading on First North (Admission Decision) shall be adopted by the Listing Body.
- 8.3. The Admission Procedure starts as of the moment when the Issuer has submitted to the Exchange the Application.
- 8.4. The Exchange has the right to disclose information regarding the initiation of the Admission Procedure by the information system of the Exchange.
- 8.5. The Exchange has the right to oblige the Issuer to adhere to the provisions of the Rules during the Admission Procedure either partially or fully.
- 8.6. The Admission Procedure shall terminate:
 - 8.6.1. upon adopting a decision to admit financial instruments to trading (Admission Decision); or
 - 8.6.2. upon adopting a decision to refuse to admit financial instruments to trading; or
 - 8.6.3. upon withdrawal of the Application by the Issuer; or
 - 8.6.4. upon considering the Application rejected on the basis of clause 9.2. of these Rules.
- 8.7. As of the starting of the Admission Procedure the Issuer shall pay the fees stipulated in Price List to the Exchange.

9. Admission Decision

- 9.1. The Listing Body shall make a decision regarding the admission of or the refusal to admit financial instruments to trading within fifteen (15) business days after the start of the Admission Procedure, unless otherwise provided

by law. If the Exchange requires submission of additional information or supplementary documents from the Issuer or the Certified Adviser in the course of the Application Procedure, the Listing Body shall make an Admission Decision within ten (10) days after submission of all the required information and documents, but not later than within three (3) months after the start of the Admission Procedure, unless the law prescribes a shorter term.

- 9.2. If the Issuer does not disclose the information or documents required by the Exchange within the terms specified in clause 9.1. and due to that the Listing Body does not make the decision within the terms referred to in Clause 9.1., the Application shall be considered as rejected.
- 9.3. Unless the Listing Body decides otherwise, the first trading day of the financial instruments admitted to trading shall be the sixth (6th) trading day after the issuance of the Admission Decision day.
- 9.4. In the Admission Decision or refusal the Listing Body shall indicate the provisions and requirements referred to in these Rules pursuant to which the decision has been adopted.
- 9.5. The Listing Body has the right to refuse to admit the Issuer's financial instruments to trading, if the Issuer's financial position, market position, client structure, growth potential, field of operation, economic activities, management, reputation, future plans and other significant matters that according to Listing Body would harm the interest of investors or damage the reputation of First North.
- 9.6. If the Listing Body has decided not to satisfy the Issuer's application for supplemental admission of financial instruments to trading, it has the right to terminate the trading of all the Issuer's financial instruments of the same type on the basis of clause 3.3. of these Rules.

10. Agreement for Admission of Financial Instruments to Trading

Within five (5) business days after the adoption of the initial Admission Decision of the financial instruments, the Issuer is obliged to conclude a written agreement with the Exchange for admission of the financial instruments to trading (hereinafter the Trading Agreement), which shall provide the duty of the Issuer to adhere to the provisions of these Rules and pay fees according to the Price List. The Exchange does not start trading in the Issuer's financial instruments unless the Trading Agreement has been concluded.

11. Disclosure of the Admission Decision or Refusal thereof

- 11.1. A written notice of the decision of the Listing Body regarding admission to trading of financial instruments of the Issuer or the refusal thereof shall be disclosed to the Issuer and the FSA without delay. The Exchange has the right to publish information concerning the decision on its website.
- 11.2. If the Listing Body has refused to admit the Issuer's financial instruments to trading, the written notice concerning the decision shall also include the reasons for such refusal.

12. Appeal of the Admission Decision of or Refusal thereof

If the Issuer is not satisfied with the Decision of the Listing Body or if the Listing Body hasn't adopted a Decision within the term provided in clause 9.1, the Issuer has the right to appeal the Decision of the Listing Body and to refer the dispute to the Arbitration Court of the Exchange (hereinafter – the Arbitration Court) for settlement. Such appeal shall be brought within thirty (30) days from the day on which the Issuer received the respective resolution or the expiry of the term provided in clause 9.1. of these Rules.

III TERMINATION AND SUSPENSION OF TRADING BY INITIATIVE OF THE ISSUER

13. Suspension of Trading

13. 1. The Issuer has the right to submit to the Exchange a written application for the temporary suspension of trading in its securities. The suspension of trading will be applicable upon the terms and conditions set out in the part of the Rules of the Exchange „Listing Rules”.

14. Termination of Trading

14. 1. The Exchange has the right to terminate the trading with financial instruments of Issuer upon written application of the Issuer, unless otherwise provided in these Rules.
- 14.2. The Listing Body has the right to decline the application, if the Listing Body finds that the termination of trading would materially harm (jeopardise) the interests of investors or give a part of the holders of the financial instruments an unfair advantage over the other holders or on their account or allow for unfair profit for a part of the holders of the financial instruments or other profit over or on account of the other holders.
- 14.3. The Listing Body shall make a decision regarding the approval or rejection of the application for the termination of trading within one (1) month from the day of submitting the relevant application. If the Exchange requests additional information from the Issuer during the course of processing the Application or if a surveillance case has been initiated or some other significant circumstances related to the Issuer are in process, the Listing Body shall make a decision within three (3) months after the submission of all the additional information by the Issuer or the closing of the surveillance proceedings or disclosure of other significant circumstances related to the Issuer, but no later than within three (3) months after the submission of the application for termination of trading.
- 14.4. If the Listing Body fails to make a decision within these three (3) months, the application for the termination of trading shall be considered as rejected.

15. Termination of Trading in Shares

- 15.1. The decision on termination of trading with shares from First North shall be taken by the Issuer's general meeting of shareholders. If the Issuer is planning to include the decision on termination of trading to the agenda of the general meeting, the Issuer shall to immediately publish its intention in accordance with the terms and procedure set forth in these Rules.

16. *Sequencing mistake corrected.*

17. Termination of Trading in Debt Securities

17. 1. If debt securities are redeemed according to the terms and conditions provided in the Company Description or Prospectus or Securities Note, the trading in such securities shall be terminated at redemption. In this case

separate application will not be submitted and separate decision will not be made.

Trading in such Debt Securities shall be suspended at the end of the Trading Hours, three (3) business days* before the record date. For the purposes of this clause 17, business days (settlement cycle days) are understood in accordance with the meaning set out in Issuer's depository rules as days when the settlement takes place (settlement days).

- 17.2. Record date is a date of closing the list of the holders of securities (fixing the record date) who are entitled to exercise the rights attached to the securities. For the purposes of Clause 17.1 the record date is a date when the list of debt securities holders who are entitled to participate in the redemption, is fixed

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, Company Description or Securities Note specify an earlier date.

- 17.3. If debt securities are redeemed on the terms and conditions other than provided in the documents referred to above in clause 17.1, the trading in such securities shall be terminated under general procedure and upon the decision of the Listing Body set out in the clause 14.

IV CERTIFIED ADVISER

18. Requirements for the Certified Adviser

- 18.1. The requirements set forth in this section constitute minimum requirements for granting the status to operate as a Certified Adviser on First North. In addition to these obligations, a Certified Adviser may be subject to other statutory or regulatory obligations in the jurisdiction in which it operates.
- 18.2. The status of a Certified Adviser may be granted to a legal entity that is registered in the Republic of Estonia or any other Member State of the European Union and that meets the minimum criteria specified under Clause 18.3 below and the requirements set out herein and has concluded the relevant agreement with Exchange. For the purposes of these Rules the signed application (set forth in 18.4) together with an approval of the Exchange (set forth in 18.5) will be deemed as the agreement.
- 18.3. In order to be granted the status of Certified Adviser on First North, applicants must comply to the following minimum requirements:
 - 18.3.1. a sufficient number of employees who provide the services of the Certified Adviser and have relevant and documented experience in financial consulting or legal advising related to it; the number of such employees shall not be less than two (2);
 - 18.3.2. be able to document at least two (2) years of experience in providing consultancy services regarding companies' capital structure, strategy, acquisitions and sale of companies, organizing public offers or related consultancy services;
 - 18.3.3. attend a seminar conducted by the Baltic Exchange regarding the functioning of First North and requirements for Certified Advisers and Issuers;
 - 18.3.4. have approved internal rules regarding the procedure whereby the Certified Adviser and its employees perform transactions with financial instruments of the Issuers for which the company acts as a Certified Adviser. Such rules shall prescribe that employees who are directly involved in the function as Certified Adviser to a company may not trade in the financial instruments of that Issuer;
 - 18.3.5. have approved internal rules regarding the procedures and routines of treating confidential information (including Chinese Walls) and avoiding conflicts of interests;
 - 18.3.6. have approved internal regulations in place regarding safekeeping and managing documentation and keeping of information in relation to the operation as a Certified Adviser;
 - 18.3.7. a written confirmation to comply with the requirements and fulfil the tasks of a Certified Adviser as set forth herein in good faith;
 - 18.3.8. may not hold more than 10% of shares or votes of the Issuer to which it serves as a Certified Adviser;
 - 18.3.9. Persons representing Certified Adviser or employees of it shall not serve as member of Management Board or Supervisory Council of

the Issuer to which it serves as a Certified Adviser.

- 18.4. An application to operate as a Certified Adviser shall be submitted in the form established by the Exchange and shall contain all information and appendices required by the Exchange.
- 18.5. Having assessed the application and the documents appended thereto, the Exchange Management Board shall issue the decision regarding granting the status of a Certified Adviser within fifteen (15) business days of receipt of the application and required documents and meeting the requirements set in these Rules.
- 18.6. The Exchange shall publish a list of Certified Advisers on its website.

19. The obligations of Certified Advisers

- 19.1 The Certified Adviser shall cooperate with the Exchange and exercise its best efforts in order to get the Issuer to fulfil the requirements of these Rules properly and in due time, including the information disclosure obligations of the Issuer ensuring the quality and transparency of trading as required on First North, but Certified Adviser is not responsible for violations of the Issuer, unless Certified Adviser had or must have had information regarding violation but not informed the Exchange about it.
- 19.2. Certified Advisers shall assist the Issuer in the Application proceedings and exercise its best efforts to ensure that the documentation and activities of the Issuer comply with these Rules;
- 19.3. The Certified Adviser shall without delay provide the Exchange with any and all information requested by the Exchange regarding its operation as a Certified Adviser, inter alia information regarding any relationships with an Issuer (including voting rights with respect to the Issuer's capital etc.);
- 19.4. The Certified Adviser shall have internal rules, procedures, organization and routines in place for handling information connected to its activities as a Certified Adviser and to eliminate any conflicts of interests, if such exist;
- 19.5. The Certified Adviser shall have relevant internal rules and procedures in place to ensure that no confidential or other undisclosed information regarding the Issuer is disclosed, unless disclosure of such information is required by authorised persons in accordance with laws;
- 19.6. The Certified Adviser shall monitor any amendments to these Rules and inform the Issuer thereof and exercise its best efforts to ensure the Issuer's compliance with the Rules within their operation.
- 19.7. Certified Advisers shall, at a minimum:
 - 19.7.1. monitor the Issuer on a regular basis to help ensure that the Issuer, when submitting an Application and during the trading of its financial instruments on First North, complies with the requirements for the Issuer and the financial instruments thereof as specified herein; the scope, frequency and other conditions of the monitoring shall be set out in the Agreement between Issuer and Certified Adviser;
 - 19.7.2. ensure that the Issuer signs the Admission to Trading Agreement,

thus confirming that it undertakes to comply with the requirements hereof;

- 19.7.3. to exercise its best efforts for to ensure that the Company Description or issue prospectus (public offer prospectus) is prepared and submitted to the Exchange in accordance with the requirements set out herein, as well as other documents to be submitted in the course of the procedure of the Admission to Trading;
- 19.7.4. monitor on a regular basis and exercise its best efforts to ensure that the Issuer complies with the disclosure of information requirements set forth herein;
- 19.7.5. inform the Exchange immediately regarding any and all violations of these Rules by the Issuer, requesting, if necessary, explanations from the Issuer and notify the Exchange of any such violations without delay;
- 19.7.6. appoint a contact person to be available to the Exchange and the Issuer who can provide requested assistance, information or documents, where necessary.

20. An Agreement by and between the Certified Adviser and the Issuer

- 20.1. The Certified Adviser and the Issuer shall conclude a written agreement under which the Certified Adviser shall provide its services to the Issuer. The agreement shall contain at least the minimum information specified by Exchange.
- 20.2. The detailed division of the duties and obligations between the Certified Adviser and the Issuer may be stipulated in the written agreement, but nevertheless each party shall remain responsible for requirements set forth herein which apply to them.
- 20.3. The Certified Adviser shall provide the Issuer with three (3) months' notice of termination the agreement specified in clause 20.1. The Issuer and the Certified Adviser shall immediately forward the notice regarding termination of the agreement to the Exchange. In the event of breach of the agreement or termination of the agreement due to breach, all notices of one party to another shall immediately be forwarded to the Exchange by the notifying party. The Exchange shall immediately publish such information through the information system of the Exchange.

21. The Information to be provided to the Exchange by Certified Adviser

- 21.1. The Certified Adviser shall submit to the Exchange a statement of ownership in Issuers to which it serves as a Certified Adviser. The initial statement of ownership shall be submitted not later than a day before the first trading day with securities of the Issuer. In case there have been any changes in the ownership, if compared to the previously submitted statement (incl initial, if this was the previous), the Certified Adviser shall submit updated statement of ownership to the Exchange.
- 21.2. The Certified Adviser shall notify the Exchange of any change that affects or

may affect the Certified Adviser's ability to perform its function, including any disciplinary proceeding, change in personnel and/or organisation and any circumstances that might give rise to concern regarding the independence of the Certified Adviser or any conflict of interest vis-à-vis the Issuer. The Certified Adviser shall report changes in personnel and organisation to the Exchange in a form established by the Exchange.

- 21.3. The Certified Adviser shall notify the Exchange immediately of any circumstances that might necessitate suspension of trading of financial instruments of the Issuer.

22. Certified Adviser's right of supervision

- 22.1. The Certified Adviser shall securely document and store information related to its activities as a Certified Adviser.
- 22.2. The Exchange has a right to monitor the operation of the Certified Adviser to make sure that it completely complies with the requirements set out herein. The Exchange has the right to demand information and documents from the Certified Adviser relating to its activities and obligations as a Certified Adviser or other information necessary for performing supervision, including any information about the Issuer. The Certified Adviser shall, upon request, be afforded immediate access to all such information and documentation that the Exchange deems necessary in order to assess the Certified Adviser and also relevant permission from the Issuer.
- 22.3. The Exchange shall not disclose any information obtained during the performed supervision actions to unauthorised persons, unless otherwise required by law.

V DISCLOSURE OF INFORMATION

23. Information Subject to Disclose and General Requirements

- 23.1. Under these Rules, Inside Information, Regulated Information and any other information required herein, are subject to disclosure under the terms and conditions set out herein.
- 23.2. For the purposes of these Rules, Inside Information is used in accordance with the meaning provided for 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).

For the purposes of these Rules, Regulated Information is used in accordance with the meaning provided for in Securities Market Act (SMA).

- 23.3. Under these Rules, any other information required inter alia by these Rules is subject to disclosure. An Issuer is also obliged to immediately disclose the information of any major changes in its business or other circumstances relating to the Issuer which is not interpreted as Inside Information nor directly specified in these Rules, but which is not publicly available and which may, by virtue of their effect on the Issuer's assets, liabilities, operations or reputation, affect price of its traded financial instruments or the ability of the Issuer to meet the obligations related to the financial instrument and deriving from these Rules.

Issuer is obliged to ensure the disclosure of such information in such a form and within such time limits as specified herein and by means as specified by the Exchange.

- 23.4. In assessment and disclosure Inside Information the Issuer shall be guided by MAR; and in relation to the Regulated Information by SMA.

Other than that, the information disclosed by the Issuer shall be accurate, precise, exact, complete and unambiguous, its contents must not be misleading, and it shall not exclude or omit anything that may affect the subject or significance of the information.

- 23.5. If the situation or events pertaining to information already disclosed by the Issuer have changed, the Issuer shall disclose, without delay, an E information regarding such changes.
- 23.6. The Exchange may require that an Issuer provide comments and/or additional information regarding its earlier disclosure of information or the circumstances subject to disclosure by the Issuer. The Issuer shall disclose the information required without delay.
- 23.7. The Exchange shall ensure that all information disclosed by the Issuer via Information System is accessible publicly by the financial instruments market participants in accordance with the law and these Rules.

24. Obligation of the Issuer to Disclose Information

- 24.1. The Members of the Management Board and Supervisory Council of the Issuer shall scrutinise on an ongoing basis, within the scope of their competence, all events and changes taking place in the Issuer's operations to assess what information is subject to immediate disclosure in accordance with these Rules.
- 24.2. The Issuer shall consider in its operations that the time of disclosure of information about a transaction/act or event in the Issuer's activity, or otherwise related to the Issuer, does not depend on the performance of any formalities necessary for its occurrence or an event or circumstance to become official. If an event has occurred but all necessary formalities have not yet been settled, or some other circumstances or risks are related, then the respective facts shall be disclosed together with the information to be disclosed.
- 24.3. An Issuer has a right to delay with the disclosure of Inside Information under the conditions and pursuant to the procedure provided by the market abuse regulation (MAR), specifically in Art 17; and ESMA Guidelines thereto¹.

The Issuer shall immediately submit the relevant explanation provided to FSA also to the Exchange.

If the Issuer is of the opinion that the other information, which is not Inside Information, to be disclosed according to these Requirements or required by the Exchange contains the Issuer's business secrets or that disclosure may otherwise damage the interests of the Issuer, the Issuer may apply to the Exchange not to disclose such information. The application presented to the Exchange shall contain the information non published or required by the Exchange and a reasoned explanation by the Issuer of the reasons why the Issuer does not wish to make the information public.

- 24.4. An Issuer is required to ensure that no undisclosed information subject to disclosure is made known to unauthorised persons before such information is properly disclosed.

For the purposes of previous sentence, information is deemed to be properly disclosed, if

- (i) Inside Information is disclosed in addition to disclosure in accordance with requirements of MAR concurrently also through Exchange Information System, and
- (ii) the other information referred to in the clause 23.3 is disclosed through Exchange Information System.

For the purposes of these Requirements, persons authorised to have access to undisclosed information are representatives of the Issuer and Certified Adviser who need such information for the performance of their ordinary professional duties, and persons whose entitlement to such information arises from the legal acts.

- 24.5. The Issuer shall not disclose information subject to disclosure according to these Rules by any means through other channels including in reports, comments, interviews or other means until proper disclosure of such an information, including through the Exchange Information System, except in cases when it is prescribed by the law.

¹ In the Issuer's decision to delay public disclosure of inside information the Issuer can follow Guidelines for delaying disclosure of inside information (ESMA/2016/1478).

- 24.6. The Issuer shall ensure that any information the Issuer intends to make available to the holders of its traded financial instruments is properly disclosed not later than it is made available to the holders of the respective securities.
- 24.7. If the Issuer learns that the information, subject to disclosure under these Rules has become available to unauthorised persons prior its proper disclosure, the Issuer shall, immediately, disclose such information in accordance with these Rules.
- 24.8. If, upon the occurrence of the circumstances referred to in Clause 24.7., the Issuer needs additional time to prepare the information to be disclosed, the Issuer shall, without delay, notify the Exchange of the Issuer's intention to disclose information shortly. The notification shall briefly contain a description of the content of the information. If the Exchange is of the opinion that the respective information may cause significant fluctuations in the price of the traded securities of the Issuer, the Exchange may temporarily suspend trading in that security until the Issuer has made full disclosure of the particular information. The Issuer has a right to apply for such a suspension.
- 24.9. The Issuer shall appoint a contact person available to the Exchange who could immediately provide the requested assistance, information or documents, if necessary. The Issuer may agree with Certified Adviser, that a contact person of Certified Adviser will fulfil this obligation, ensuring that this contact person has all relevant information and documentation to ensure immediate and proper assistance. The Issuer shall notify, without delay, the Exchange and the Certified Adviser of substitution (temporary or permanent) of this person.
- 24.10. The Certified Adviser shall exercise its best efforts to ensure the compliance of the Issuer with the requirements regarding disclosure of information.

The Certified Adviser has a right to prior review and/or approval of the information to be disclosed by the Issuer. In such cases, the confidentiality of this information shall be ensured. The Certified Adviser is not directly responsible for the content of the disclosure, unless it has clear and complete information regarding the information to be disclosed.

25. Methods of Disclosure

- 25.1. For the purposes of these Rules, information is deemed properly disclosed when it is made public as a notice through the Exchange Information System.
- In case the Issuer publishes such information through other media channels, the information must be disclosed through the Exchange Information System at latest simultaneously with making it public through other channels.
- The information should be provided simultaneously to the Certified Adviser.
- 25.2. The Issuer shall disclose information electronically in accordance with the procedure determined by the Exchange.
- 25.3. All disclosures and financial reports of the Issuer shall be disclosed in Estonian or in English.

26. Financial Reports and Forecasts of Financial Results

26.1. Preparing Reports

- 26.1.1. The Issuer shall prepare financial reports using calculation charts and methods, which comply to the accounting standards of the Issuer's country of registration or IFRS, including the information required under these Rules.
- 26.1.2. The Issuer shall provide financial reports in the form of a comparable table, comparing the data of the current period of the report with the data of the respective period of the previous fiscal year.
- 26.1.3. If the Issuer changes the calculation scheme or methods used in preparing the financial reports, the Issuer shall comment on these changes in the notes of the reports, indicating the reasons for the changes and their impact on the results of the current period and the previous period to provide a comparison.
- 26.1.4. The Issuer shall send the complete annual report to the Exchange electronically for publishing it on the webpage of the Exchange.
- 26.1.5. If the annual report approved by the general meeting of shareholders differs from the report sent to the Exchange and published on its webpage, the Issuer shall send it to the Exchange as soon as possible after approval of the report at the general meeting.

26.2. Annual Report

- 26.2.1. The annual report shall be prepared and the Issuer shall submit the annual report audited by an auditor in accordance with applicable laws or other regulation of the Issuer's home state. In case the Issuer is obliged to prepare the consolidated annual report in accordance with the applicable laws or other regulation of the Issuer's home state, the Issuer shall submit also the consolidated annual report.
- 26.2.2. The Issuer shall submit a statement of a auditor together with the annual report and consolidated annual report if such is prepared.

26.3. Interim Reports

- 26.3.1. The Issuer shall submit financial report for six (6) months of the financial year to the Exchange (hereinafter referred to as the Interim Report).
- 26.3.2. Interim report as a whole consist of the balance sheet, profit or loss statement, cash flow summary, summary of changes in equity and a notes. The Interim Report shall include a statement by the management of the Issuer regarding the business of the Issuer. If the issuer is obliged to prepare the consolidated annual report in accordance with applicable laws or other regulation of the Issuer's home state, the Interim Report shall be prepared in the consolidated form.
- 26.3.3. If an Interim Report has been audited, the Issuer shall publish also

the statement of auditor together with the respective financial report; unaudited report shall contain relevant notice.

- 26.3.4. Interim Report shall be prepared under the same calculation principles and methods that were used in the last annual report of the Issuer (except for the changes necessary in relation to the provisions of the respective legal acts).
- 26.3.5. The Issuer shall disclose the Interim Report immediately after its approval by the Management Board of the Issuer, however, not later than three (3) months from the end of the reporting period.
- 26.3.6. The information provided in the interim report has to be sufficiently detailed in order to prevent a situation whereby completely new information, which was not included in the interim report on the respective period and which may materially affect the price of the Issuer's shares will appear in the annual report.
- 26.3.7. The Issuer of debt securities with the nominal value of at least 100,000 euros, or with the nominal value corresponding to at least 100,000 euros on the day of issue if the debt securities are nominated in another currency, is exempted from submitting Interim report.

26.4. Forecasts of Financial Results

- 26.4.1. If the Issuer publishes a forecast regarding the financial results for the next reporting period or periods, the Issuer shall provide an explanation of the forecast, indicating the circumstances and assumptions upon which the forecast is based.
- 26.4.2. If after publishing the Issuer's forecast of financial results there is reason to consider that the forecasts will differ from the actual financial results of the period by more than ten (10) per cent, the Issuer shall, immediately disclose the information about the current situation to the Exchange and explain the cause of such deviations from the forecast.

27. Changes in the Issuer's Business or Management

- 27.1. The Issuer shall disclose information regarding changes in the composition of its Management Board or Supervisory Council, change of its auditor or Certified Adviser, and in respect of entering or terminating agreements with a market maker.
- 27.2. The Issuer shall immediately disclose, all circumstances and events that materially affect or could affect the Issuer's business or financial standing. Among others, the following circumstances, could be respectively considered:
 - 27.2.1. entering into, breach or cancellation of agreements significant for the Issuer, material violations of agreements by the Issuer and against the Issuer;
 - 27.2.2. entering or exiting markets for new products or services;
 - 27.2.3. planned mergers, divisions or reorganisations and proposals to the Issuer to purchase its own shares of all or one category and the

Issuer's response to such proposals, including a description of its influence on the business of the Issuer;

27.2.4. Changes of the Issuer's field of business.

27.3. The Issuer shall disclose information about transactions of significant amount (all transactions in the amount of ten (10) or more per cent of the owner's equity capital or total nominal value of securities of the Issuer admitted to trading, higher of these are deemed to be significant), including the following information:

27.3.1. a description of the transaction and its influence on the business and financial indices of the Issuer;

27.3.2. the sum to be paid or received as a the result of the transaction, including the sums to be received or paid in the next periods.

28. General Meeting and Bondholder Meeting

28.1. The Share Issuer shall immediately disclose information about calling a General Meeting, its date, place, the agenda of the meeting and other circumstances. If an Extraordinary General Meeting is called, the Issuer shall also disclose the reasons and initiators of the Extraordinary General Meeting.

The Issuer of Debt Securities shall disclose above-mentioned information about a resolution to call a Bondholder Meeting.

28.2. The Share Issuer shall immediately after the General Meeting disclose all resolutions adopted at the meeting.

28.3. The Share Issuer shall immediately disclose information of the resolutions of the Management Board and Supervisory Council of the Issuer proposing a payment of dividends at the General Meeting.

28.4. If a proposal to pay dividends will be made, the Share Issuer shall specify at least the planned record date, ex-date and the planned amount of dividend per share in the disclosure.

The ex-date (or ex-dividend date) is a date to determine/exclude persons having right to receive dividends; from that date the new owner of the shares is not entitled to these aforementioned recently declared dividends.

The ex-date should precede the record date by one settlement cycle minus one business day*. For the purposes of this clause, business days (settlement cycle days) are understood in accordance with the meaning set out in Issuer's depository rules as days when the settlement takes place (settlement days).

Provided that settlement cycle is T+2, the ex-date is the previous business day before the related record date.

28.5. Issuer of debt securities shall immediately disclose resolutions adopted by the Bondholder Meeting.

29. Changes in Capital Structure

- 29.1. The Issuer shall immediately disclose information in relation to decision to propose to the General Meeting changes to the Issuer's share capital and disclose the invite of the General Meeting at which the changes will be discussed.
- 29.2. If the share capital is increased by issuing new shares, the following information shall be included in the disclosure regarding calling the General Meeting, in addition to the information required in the Commercial Code:
 - 29.2.1. the record date, in order to determine the shareholders which have pre-emptive rights, if the share capital is increased by issuing shares with pre-emptive rights to the existing shareholders to subscribe to the new shares;
 - 29.2.2. information about the financial year as from which the newly issued shares shall benefit from profit distribution (right to dividend);
 - 29.2.3. if a placement agreement has been signed or will be signed with a provider of investment services on primary placement of the shares (on a full underwriting or best efforts basis), the description of the key provisions of the agreement;
 - 29.2.4. the date of payment for the subscribed shares (payment date);
 - 29.2.5. a description of the remedies for possible under subscription or over subscription.
- 29.3. If during the period when the Issuer's shares are traded on First North new shares of the same type and category already traded on First North are issued, the Issuer, as soon as the shares become freely transferable, shall notify the Exchange thereof.
- 29.4. After the Issuer has submitted to the Exchange the extract from the entry in the Commercial Registry about the increase of the share capital and has informed the Exchange that the shares issued in the result of the share capital increase give equal rights to the shares of the same type already traded at the Exchange, the Exchange shall admit to trading the newly issued shares with an ISIN code which is identical to the code of the shares of the same type already admitted to trading on First North.
- 29.5. Clauses 29.3. and 29.4. of these Rules are applicable also in case the Issuer, that has submitted an initial Application for admission to trading of its shares on First North and carries out a new share issue before its shares are admitted to trading.
- 29.6. If it is planned to reduce the share capital, the Issuer shall disclose a notice of calling the General Meeting, at which the matter is to be discussed. In addition to the requirements under the Commercial Code, the notice of calling a General Meeting shall also set out:
 - 29.6.1. the record date for participation in the reduction of share capital;
 - 29.6.2. the number of shares to be cancelled and the description of principles of calculation thereof, if the share capital is reduced by cancelling the issued shares.

- 29.7. The requirements of the Clause 29 are not applicable to the Issuer of debt securities.

30. *Repealed*

30.4. Insider

- 30.4.1. For the purposes of these Rules, person in possession of Inside Information is deemed to be insider.

30.5. *Repealed*

30.6. *Repealed*

30.7. Managers' transactions

- 30.7.1. Notification of transactions conducted by persons discharging managerial responsibilities within the Issuer and by persons closely associated with them shall be executed in accordance with the MAR and the Law.

Persons closely associated with are understood as set out in MAR.

31. Trading on other MTF or Regulated Markets

The Issuer shall disclose information about its intention to seek for admission to trading on another MTF or regulated market, about the approval or rejection of relevant applications, and also about termination of trading of financial instruments from another MTF or regulated market.

VI TRADING AND SETTLEMENT

32. General Provisions

The procedure and rules of trading and settlement in financial instruments on First North is the same as the procedure of trading in financial instruments in the regulated market operated by Exchange; it is based on the same trading and settlement systems and the Exchange Rules thereof; particularly the Exchange Member Rules and Settlement Rules and Other Rules shall apply to it to the extent that different procedure are not set forth herein in relation to a particular operation.

33. Publication of Trading and Settlement Rules

The Exchange Rules, incl Member Rules, the Settlement Rules as well as Other Rules and amendments thereto are available on the website of the Exchange.

34. Accession to First North for Trading

Transactions within the Trading System of the Exchange with financial instruments admitted to trading on First North may be performed only by Exchange Members in accordance with the Exchange Member Rules.

For guaranteeing the execution of transactions with financial instruments conducted on First North, the Rules of the Formation and Use of the Guarantee Fund of Exchange are applicable.

35. Trading hours

The trading hours are specified as set out in the Exchange Rules.

36. Exemptions from Member Rules

The Issuer shall be exempt from the requirements of the Exchange Member Rules with respect to financial instruments admitted to trading on First North, to the extent that these Rules differ from the procedure set forth in the Exchange Member Rules.

VII SURVEILLANCE

37. General Provisions

- 37.1. For the purposes of these Rules the definition "Surveillance" is understood as the surveillance exercised by the Exchange over the Issuers and Certified Advisers as well as financial instruments traded on First North in accordance with these Rules.
- 37.2. For the purposes of clause 37.1. the Exchange includes the Management Board, Head of Surveillance; other relevant officers, employees and the bodies (hereinafter the Committee) of the Exchange set up for the purpose of carrying out supervision or transferring its surveillance duties to these institutions fully or partially. In the case of creating Committee, the activities, rights and obligations of the Committee shall be described in the rules of the respective Committee.

38. Obligations and Rights of the Exchange in Performing Supervision

- 38.1 The Exchange within its competence, shall exercise day-to-day supervision over the operation and activities of the Issuer and their compliance with the requirements hereunder and organise the issuance of decisions.
- 38.2 The Exchange shall monitor the Issuer's compliance with decisions, instructions, procedures and recommendations adopted by the Exchange.
- 38.3. In performing its obligations, the Exchange has the right to:
 - 38.3.1. require that an Issuer eliminate any violation of the laws or the Rules;
 - 38.3.2. request from the Issuer or Certified Adviser any information and documents to assess the ability of the Issuer or Certified Adviser to comply with the requirements set forth herein and the compliance with these Rules of the Issuer, its financial instruments and trading with them and also any other information necessary to evaluate the compliance of Issuer and its activities to the legal acts and these Rules.
 - 38.3.3. request information related to shareholders, members of the Management Board and Supervisory Council of the Issuer.
 - 38.3.4. copy and make extracts of the documents and information provided by the Issuer or Certified Adviser.
- 38.4. The Exchange shall establish the obligation to all employees and representatives of the Exchange, including members of the Management Board, Supervisory Council and Committee(s) to keep confidential, for an unspecified term, all the information received in connection with exercising supervision over the activities of Issuers and Certified Advisers. This obligation shall not apply to information, which is publicly available, as well as information subject to publication under the legal acts or these Rules.

39. Obligations and Rights of the Certified Adviser in Performing Supervision

- 39.1 The Certified Adviser, within its competence, shall exercise day-to-day supervision over the operation and activities of the Issuer and their compliance to the Rules. The competence, obligations and responsibility of the Certified Adviser shall be regulated by the agreement between the Certified Adviser and the Issuer.
- 39.2 In performing its tasks, the Certified Adviser has the right to demand information and documents from Issuers required for assessing the ability of the Issuer to comply with these Rules and the compliance of the financial instruments of the Issuer to these Rules.
- 39.3 The Certified Adviser shall inform the Exchange without delay on any detected violations or incompliance in the activities of Issuer as well as any grounded suspicions of it.
- 39.4. The Certified Adviser shall establish the obligation of all their employees and representatives to keep confidential, for an unspecified term, all the information received in connection with exercising supervision over the activities of Issuers. This obligation shall not apply to information, which is publicly available, as well as information subject to publication under the legal acts or these Rules.

40. Supervisory Activities Related to the Issuers

40.1. *Repealed*

40.2. The Observation status

- 40.2.1. The Exchange may apply the observation status (so-called "surveillance list") to the financial instruments. The purpose of applying the observation status is to draw the attention of market participants to an important condition or circumstance relating to the financial instrument or the Issuer.
- 40.2.2. An observation status may be added to the financial instruments in the following cases:
 - 40.2.2.1. in case of initiating the liquidation, insolvency or bankruptcy proceedings in respect of the Issuer or admittance of it by the Issuer;
 - 40.2.2.2. a court dispute of major importance to the Issuer or to its activities or the initiation of other proceedings that might significantly influence the Issuer or its further operation;
 - 40.2.2.3. a repeated, consistent or major non-compliance of the Issuer or its activity with the requirements of the legislation or these Rules;
 - 40.2.2.4. the filing of an application to delist or terminate trading of the Issuers financial instruments from First North or a potential commencement of such a procedure within the

following six (6) months (except the delisting or termination of trading of debt instruments in connection with their redemption);

- 40.2.2.5. a takeover offer to the shareholders of the Issuer or announcing the intention of such an offer;
 - 40.2.2.6. if the agreement between the Issuer and Certified Adviser has been terminated;
 - 40.2.2.7. if the Issuer has not paid the fee within the time limit and in the amount specified by the Exchange, and the payment is overdue for more than six (6) months;
 - 40.2.2.8. any other situation or condition that may substantially influence the interests of investors in the opinion of the Exchange.
- 40.2.3. Before adding an observation status to a security, the Exchange shall notify the Issuer of the security thereof, unless this is not substantively necessary considering the basis for making the notation.
- 40.2.4. The Exchange shall immediately publish the resolution to add a observation status to a security, by disclosing a description of the circumstances on which the resolution was based. If the Issuer wishes to comment on the addition of the watch notation, the Issuer's explanation shall be disclosed by the Exchange
- 40.2.5. The use of an observation status shall be discontinued without delay, when the circumstances causing it cease to exist. The Exchange shall publish a notice on the discontinuance of the use of the notation without delay.
- 40.2.6. The decision on the adding or discontinuing of the observation status of the Issuer shall be taken by the Management Board. In exceptional cases where awaiting a respective resolution of the Management Board may damage the interests of investors, the Head of Trading of the Exchange may adopt a resolution on adding an observation status to the security. The Management Board of the Exchange shall either approve or cancel the resolution at the earliest opportunity.

41. Supervisory Activities Related to Certified Advisers

41.1. Right to Request Information

The Exchange may, in the case of reasoned doubt or to inspect the compliance of certain transactions, acts and/or activities of a Certified Adviser within the provisions of these Rules, demand that the Certified Adviser shall submit, at the first demand of the Exchange, all the documents relating to the purpose of the inspection.

41.2. Termination of Agreement with Certified Adviser

- 41.2.1 The Exchange may terminate the agreement with a Certified Adviser if it does not comply with the requirements of these Rules, has not fulfilled its obligations under these Rules or the agreement concluded with the Exchange, or if its operation has caused damage, including intangible damage, to an Issuer or the Exchange.
- 41.2.2 The decision on the termination of an agreement with a Certified Adviser shall be taken by the relevant body of the Exchange, taking into consideration the interests of investors and also Issuers, ensuring them a possibility to find a new Certified Adviser within a reasonable period of time. The Listing Body has a right to propose to the Management Board to terminate the Agreement with the Certified Adviser.
- 41.2.3. The fact of termination of the agreement between the Exchange and a Certified Adviser shall be disclosed immediately, including the reason for this decision.

VIII SANCTIONS

42. General Provisions

- 42.1. If an Issuer, Member of its Management Board or Supervisory Council or employee has violated the requirements set forth in these Rules, legal acts or the general good practice of the market in financial instruments or otherwise inappropriate, the Exchange may issue precepts mandatory for the Issuer and/or the Certified Adviser or impose sanctions on the Issuer including issuing warnings and imposing fines as well as imposing other restrictions on the Issuers, including suspending or terminating trading its securities.
- 42.2. If a Certified Adviser violates the requirements set forth in these Rules or the general good practice of the market in financial instruments, the Exchange may issue precepts mandatory for Certified Adviser or impose sanctions on the Certified Adviser, including issuing warnings and imposing fines as well as terminating the agreement between the Exchange and the Certified Adviser.
- 42.3. Decisions to impose sanctions shall be taken by the Listing Body.
- 42.4. The Issuer and Certified Adviser have the right to appeal decisions of the Listing Body imposing sanctions and to refer the dispute for settlement by the Arbitration Court. The competence and activities of the Arbitration Court are stipulated by provisions of the Law and Rules of Arbitration Court. The decisions of the Arbitration Court of the Exchange are final and cannot be appealed.
- 42.5. The Exchange shall also inform the Issuer or the Certified Adviser of its right to file an action with the Arbitration Court for settling the dispute if the Issuer or Certified Adviser disagrees with the decisions of the Listing Body.
- 42.6. The Exchange notifies the FSA about the sanctions and the resolutions of the Arbitration Court.
- 42.7. The Exchange shall immediately publish a resolution of the Arbitration Court unless the Arbitration Court decided to publish the full text of the decision.

43. Giving a Warning

- 43.1. The Exchange shall notify an Issuer or Certified Adviser in writing regarding issuance of a warning, and shall specify the basis for issuing the warning.
- 43.2. The Exchange has a right to publish information regarding issuance of a warning and the basis thereof.

44. Imposing Fines

- 44.1. The rates for penal fines are established in the clause of these Rules entitled "Fines."
- 44.2. The Committee may impose a fine for each day of violation as from the day when the Issuer was obliged to perform an obligation up to the performance

of the obligation.

- 44.3. The Exchange shall notify the person on whom the penal fine was imposed in writing, without delay, setting forth the grounds of which the resolution was adopted. The Exchange shall inform Certified Adviser of the Issuer about the penal fine imposed to Issuer.
- 44.4. The Exchange shall publish information regarding imposition of a fine and the basis thereof.

45. Suspension of Trading

- 45.1. In extraordinary circumstances, the Exchange may suspend trading in an Issuer's securities to protect the interests of investors. For the purposes of this clause, an extraordinary circumstance including price volatility, anticipation of a disclosure that may have a significant effect on the price of the security, as well as other situations, circumstances or conditions that may prevent fair and regular trading.
- 45.2. The Exchange may suspend trading in an Issuer's financial instruments for the time of a general meeting of the shareholders of the Issuer and a press conference that may have a significant effect on the price of the financial instruments, as from the beginning of such an event until the adopted resolutions or other important information is made public.
- 45.3. Trading in securities shall be suspended if the Issuer fails to pay the interests on debt instruments (coupon payments) or fails to pay dividends after a decision to pay such dividends has been taken, files a bankruptcy petition or calls a general meeting to adopt a resolution on the dissolution of the Issuer.
- 45.4. The Exchange may suspend trading in financial instruments, if the Issuer violates the provisions of the Rules of the Exchange or legal acts or ignores the established practice in a manner that may substantially prevent the fair determination of the price of the financial instruments.
- 45.5. The Exchange may suspend trading in an Issuer's securities if the information provided by the Issuer via the Information System of the Exchange contains obvious errors or requires elaboration and/or confirmation for other reasons or is extensive and cannot be entered in the Information System without delay.
- 45.6. The Exchange shall publish the resolutions on the suspension of trading and on the termination of the suspension via the Information System of the Exchange without delay.
- 45.7. The Exchange shall immediately inform the Issuer of the resolution to suspend trading in the Issuer's securities.
- 45.8. A resolution on the suspension of trade in an Issuer's securities shall be adopted by the Management Board of the Exchange or, if awaiting a resolution of the Management Board of the Exchange would materially damage the interests of investors, the Head of Trading or Head of Surveillance of the Exchange may adopt the resolution to suspend trading in the Issuer's securities and to suspend trading. The Management Board of the Exchange shall render a decision regarding the resolution of the Head of Trading/Head of Surveillance at the earliest opportunity by either approving

it or cancelling it.

- 45.9. The Head of Trading/Head of Surveillance of the Exchange shall cancel the resolution on suspension of trading in securities when the circumstances on which the suspension resolution was based are eliminated. If the information to be made public is extensive, the Exchange may extend the suspension to after the information is made public via the Information System of the Exchange for a period deemed necessary for the Exchange members and investors to evaluate the information.
- 45.10. As a general rule, suspension of trading may not last longer than six (6) months. In cases specified in the Clauses 45.2. and 45.5., the suspension of trading may not last longer than thirty (30) days. If suspension of trading in financial instruments has lasted longer than the respective six (6) months or thirty (30) days and the Issuer has not taken measures to eliminate the circumstances upon which the suspension was based, or if the measures taken by the Issuer have not eliminated these circumstances, the Exchange may terminate trading with the Issuer's securities.

46. Termination of Trading

- 46.1 If the securities traded on First North do not comply with the applicable requirements and conditions, or if the Issuer, including its Management Board or Supervisory Council members or employees have repeatedly or materially violated the provisions of these Rules or other Rules of the Exchange or legal acts regulating the securities market or if ordinary trading in the Issuer's securities is no longer possible for other reasons, the Exchange may adopt a resolution regarding termination of trading of financial instruments on First North.
- 46.2. The provisions set forth in Clause 46.1. shall apply at least to the following situations:
- 46.2.1. where an Issuer has not assigned an agreement with new Certified Adviser within six (6) months from the termination of an agreement with its previous Certified Adviser, provided the agreement with Certified Adviser is mandatory;
 - 46.2.2. where an Issuer is insolvent or the the subject of any insolvency procedure;
 - 46.2.3. where the Issuer has not paid the required fee to the Exchange upon repeated notice.
- 46.3. Before adopting a resolution regarding termination of trading, the Exchange shall inform the Issuer of the matter of discussing the termination of trading as well as provide the Issuer with an opportunity to provide a written explanation. The Exchange may give the Issuer a deadline for the elimination of shortcomings or for the submission of a plan to that effect. The Exchange has the right to invite the members of the Issuer's management board to the meeting of relevant body etc. in order to discuss the circumstances on the grounds of which the termination order will be maintained, or discuss with the Issuer the measures to be taken to prevent the deficiencies, as well as in order to provide the Issuer with an opportunity to provide a written explanation. The Exchange may set the term within which the Issuer has to eliminate the deficiencies or submit a respective plan regarding the same.
- 46.4. A resolution of the Listing Body of the Exchange to terminate trading with

financial instruments shall specify the effective date of the resolution. The Listing Body shall also consider the interests of investors upon establishing the effective date.

- 46.5. If the Listing Body of the Exchange decides to terminate trading with securities upon the initiative of the Exchange, the Issuer may dispute the termination resolution and submit the dispute for settlement by the Arbitration Court within thirty (30) days after the date of the resolution.
- 46.6. The Exchange shall immediately notify the Issuer in writing regarding the adoption of a resolution to terminate trading with the Issuer's securities. The notice shall contain a description of the circumstances upon which the termination resolution is based.
- 46.7. The Exchange shall immediately notify the FSA regarding decision to terminate trading with the Issuers securities.
- 46.8. The Exchange shall immediately publish a resolution to terminate trading with the securities of an Issuer via the Information System of the Exchange.

47. Fines

- 47.1. The Listing Body has the right to impose a fine on the Issuer or Certified Adviser up to an amount that may not exceed:
 - 47.1.1. the amount of the annual fee that the relevant Issuer shall pay for a two years period to the Issuer; and
 - 47.1.2. 3000 euros to the Certified Adviser.
- 47.2. In deciding on the amount of the fine, the Listing Body shall assess the importance of the violation and its influence on the investors and First North.

48. Procedure for Surveillance and Settlement of Disputes

In addition to the regulation set forth in this part of the Rules, the procedure for surveillance and settlement of disputes are set out in the part of the Rules of the Exchange "Supervision" and in the Rules for Arbitration Court of the Exchange.