



# **Rules for Issuers and Issuer Agents**

**Version 2010:1**

## **Rules for Issuers and Issuer Agents**

Rules for Issuers and Issuer Agents, effective from 1 May 2010, have been approved by Euroclear Sweden AB (ES).

This version of the Rules for Issuers and Issuer Agents is a translation into English from the original Swedish language version. In the event of any dispute regarding interpretation or application of these Rules for Issuers and Issuer Agents, the Swedish language version shall have precedence.

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# A. GENERAL RULES

## A 1. DEFINITIONS AND ABBREVIATIONS

The terminology that is used in these Rules conveys the meaning that is given below, unless otherwise stated. In addition to these definitions, further terms are defined in ES's General Terms and Conditions – Account Operations and Clearing.

**ABL:** The Swedish Companies Act (SFS 2005:551).

**Account Operator (AO):** a company approved by ES to execute registrations on a ES Account.

**Affiliation Agreement:** an agreement between a Swedish or a non-Swedish Issuer and ES, in which ES undertakes to keep a CSD Register for Financial Instruments issued by the Issuer and specified in the agreement.

**Banking Day:** a day in Sweden that is not a Sunday or other public holiday, nor regarded as a public holiday where the payment of debt instruments is concerned (the latter currently covers Saturdays, Midsummer Eve, Christmas Eve and New Year's Eve).

**BGC:** Bankgirocentralen BGC AB, organisation no. 556047-3521

**BTA:** (paid subscription share) Financial Instrument representing a shareholder's right in relation to the Issuer when a newly issued share has been subscribed for by payment before the share capital increase has been registered at Bolagsverket (the Swedish Companies Registration Office).

**Clearing Member:** a company that has received authorisation from ES to participate in clearing operations.

**Conversion Date:** the date when a Financial Instrument other than shares is deregistered from a ES Account in conjunction with ES handling a payment with respect to the Financial Instrument.

**CSD Register:** register in accordance with Chapter 4, sections 2 or 3 of LKF (the Financial Instruments Accounts Act).

**Debt instrument:** Financial Instruments in the form of one-sided promissory notes with the same redemption dates and the same terms in other respects and which have been registered in the ES System.

**ES AB:** the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, organisation no. 556112-8074.

**ES's Internet-based Service:** ES's Internet-based Service portal for Issuers by means of which Issuers can place orders, receive electronic deliveries and make owner analyses using the ES Analys service. The service portal can be reached via ES's website.

**Financial Instrument:** transferable securities, money-market instruments, units in collective investment undertakings and financial derivative instruments according to the Securities Market Act (SFS 2007:528).

**Issue:** a certain volume of Financial Instruments that are to be issued or have been issued by the Issuer.

**Issuer:** a Swedish or non-Swedish issuer of Financial Instruments.

**Issuer agent:** an Account Operator specifically authorised by ES to process and register Issues in the ES system.

**Issue Report:** a report compiled by ES of a shareholder's entitlement as a result of a corporate action.

**Listed Financial Instrument:** a Financial Instrument that is admitted for trading on a regulated market or a corresponding market outside of the European economic community.

**LKF:** the Financial Instruments Accounts Act (SFS 1998:1479).

**Nominee:** an undertaking licensed by ES to hold a ES Account on behalf of an owner.

**Nominee List of Owners:** a list of the owners, with details of name, personal identification number or other identification number, postal address and quantity of Financial Instruments held, which have been registered in the Register of Shareholders, the Register of Creditors or Other Register in the name of the nominee with the addition "on behalf of the owner".

**Other Register:** list of owners or Nominees of Financial Instruments kept in the ES System that are neither debt instruments nor shares, specifying quantity or amount per holder, such as a subscription option or a warrant.

**Parties:** ES and the Issuer, as well as the Issuer Agent where applicable.

**PM Account:** ES Account for the registration of debt instruments issued in a PM Programme.

**PM Programme:** the terms and conditions according to which certain debt instruments are issued pursuant to a contract between the Issuer and ES.

**Prospectus:** prospectus, conditions and instructions, or other information material targeted at the market.

**PUL:** the Personal Data Act (SFS 1998:204).

**Record Date:** The date by which a holder of Financial Instruments must be entered in the CSD Register in order to be entitled to participate in an issue or equivalent.

**Record Date Provision:** provision in accordance with Chapter 4, section 39 of ABL (the Swedish Companies Act).

**Register of Creditors:** list of owners or Nominees of promissory notes for a particular debt instruments, specifying the quantity or amount per holder, such as a convertible, a bond or subordinate debenture loan.

**Register of Owners:** a compiled list of holders of Financial Instruments issued by a specific Issuer.

**Register of Shareholders:** a register in accordance with ABL of a company's total shares and shareholders or Nominees for shareholders.

**Retrieval Date:** the date when ES retrieves information from the CSD Register for the creation of a register that has been ordered.

**Rules:** ES's current Rules for Issuers and Issuer Agents.

**SKV:** the Swedish National Tax Board.

**VPC Account:** an account with ES for the listing of Financial Instruments.

**VPC System:** ES's system for the registration of Financial Instruments and the clearing and settlement of trades relating to Financial Instruments. See also ES's General Terms and Conditions – Account Operations and Clearing.

**Weekday:** a day that is not a public holiday according to the Public Holidays Act (1989:253).

# A 2. THE ES RULES FOR ISSUERS AND ISSUER AGENTS

## 2.1 GENERAL

The Rules regulate the relationship between ES and the Issuer with respect to the account-keeping of Financial Instruments and, where appropriate, the relationship between ES and the Issuer Agent. These Rules do not provide an Issuer with any entitlements or obligations under these Rules in relation to an Issuer Agent and vice versa, unless expressly indicated. ES retains the right according to a special agreement with the Issuer or Issuer Agent to deviate from these Rules. ES undertakes on the Issuer's behalf to perform the tasks incumbent on ES according to law or to the Rules.

The parties are bound by these Rules from the date when both Parties sign the Affiliation Agreement. In the event information in the Affiliation Agreement contradicts information in these Rules, the information in the Affiliation Agreement shall have preference.

The Rules in force at any one time are published on ES's website. Notification of amendments and additions to the ES Rules shall be provided in accordance with the provisions below.

## 2.2 THE ISSUER'S OBLIGATION TO PROVIDE INFORMATION

The Issuer undertakes to inform ES when announcing a General Meeting or an issue that affects the Financial Instruments registered by ES.

It is incumbent on the Issuer to notify the shareholders, about corporate actions to the extent required by law, an obligation according to a booking agreement or similar. In respect of information to shareholders, the Issuer, or the Issuer Agent where applicable, is responsible for ensuring that the necessary information is provided to pledge holders, representatives or other rights holders.

The Issuer also undertakes to notify ES as soon as possible in the event any amendments to the Issuer's articles of association have an effect on ES's responsibilities with regard to the maintenance of the Register of Shareholders, the CSD Register or other matters that could affect ES's responsibilities according to law or these Rules. Furthermore, the Issuer shall notify ES of any amendments to directives from the authorities applicable to the Issuer, as well as amendments to agreements the Issuer has entered into, in those cases where the amendments directly or indirectly affect ES's or the Issuer's fulfilment of these Rules.

A Non-Swedish Issuer shall notify ES of any amendments to laws or other statutes in those cases where the amendments directly or indirectly affect ES's or the Issuer's fulfilment of these Rules.

## 2.3 CONFIDENTIALITY

ES's employees are subject to an obligation to observe confidentially in respect of information about the Issuer's business relationships and assignments that are given to ES in accordance with these Rules. ES is also obliged to observe confidentiality with respect to information in the CSD Register.

#### 2.4 ES'S USE OF RECEIVED INFORMATION

ES reserves the right to publish and otherwise use information received from the Issuer and Issuer Agent, provided ES is not prevented from making such information public by law or some other agreement.

#### 2.5 DATE AND TIME INFORMATION

Time information in the Rules refers to Swedish time. Dates or events specified in these Rules do not imply any guarantees or commitments on the part of ES that the measure will be taken by ES on the date specified, but are only given in order to facilitate the planning of the corporate actions of the Issuer.

#### 2.6 MESSAGES BETWEEN ES AND THE ISSUER

Messages sent by ES by registered mail or ordinary mail shall be deemed to have reached the Issuer not later than five (5) Banking Days after dispatch, if the letter is sent to the address provided to ES by the Issuer. A message sent by telefax shall be deemed to have reached the Issuer upon transmission, if sent to the telefax number provided by the Issuer. In the event that a telefax message reaches the Issuer outside normal business hours, such message shall be deemed to have reached the Issuer on the following Banking Day.

A message from the Issuer to ES shall be sent to the address notified to the Issuer by ES, unless ES has requested a reply to other address. A message from the Issuer shall be deemed to have reached ES during business hours on the Banking Day that the message has arrived at this address or, if the message arrives after this time, on the Banking Day after receipt.

A message sent by courier from either Party shall be deemed to have reached the recipient at the time of delivery.

#### 2.7 FEES

For assignments undertaken by ES, the Issuer shall submit payment of the fees generally charged by ES at that time. ES's undertakings according to these Rules apply on the condition that the Issuer has submitted payment to ES.

The raising of fees charged, other than postage increases, shall be notified to the Issuer at least 30 days before coming into force. The fees can be seen from ES's price list for Issuers, which can be found on ES's website. Services that are not specified in the price list are offered under a separate agreement. ES reserves the right to invoice on a monthly basis and with a due date of twenty (20) days.

Any additional tax or other charges shall be borne by the Issuer. For those services that ES has deemed to be exempt from value added tax, and which SKV should subsequently deem as liable to tax, or where legal usage is changed rendering them liable to tax, ES reserves the right to invoice the value added tax retroactively.

If the Issuer wishes to obtain a deviation from ES's standard design of documentation or other material, such a request must be submitted to ES in plenty of time so that ES can assess whether this request can be met. The cost for such a deviation shall be borne by the Issuer.

## 2.8 EXIT FROM ES

### 2.8.1 Removal of record date provision

A decision on changes to the articles of association of a Swedish limited liability company that entails that the Record Date Provision is removed will only become valid if anyone holding pledge rights in the company's shares has given their written consent to the decision. The Issuer can, in order to obtain consent and to provide notification about the deregistration of the shares, order address details of such pledge holders from ES.

ES must deregister a company from the ES system as soon as Bolagsverket (the Swedish Companies Registration Office) has registered the new articles of association and once the Issuer has notified ES in writing that deregistration is to take place.

### 2.8.2 Termination of the Affiliation Agreement

Both the Issuer and ES retain the right to give notice of termination of the Affiliation Agreement with due regard to a mutual period of notice of twelve (12) months. If ES consents, the agreement may cease to apply at an earlier point in time in the event that the CSD Register kept by ES no longer contains Financial Instruments issued by the Issuer.

Notice of termination may be given with immediate effect in the event that counterparty has failed essentially in the fulfilment of its obligations and no action has been taken to rectify the situation within 90 days of the written request for correction having been made. Furthermore, the Issuer and ES retain the right to terminate the Affiliation Agreement with immediate effect where there is reason to presume that the other Party will not be able henceforth to fulfil its obligations or if applicable legislation directly or indirectly prevents or significantly obstructs compliance with the Affiliation Agreement.

In addition, ES is entitled to terminate the Affiliation Agreement with immediate effect in the event that the Issuer has committed a substantial infringement of Swedish or foreign law to the extent that this affects the account-keeping operations of the Issuer's Financial Instruments or is harmful to ES's image or trust in the securities market.

Written notice of termination in accordance with this section A 2.8.2 shall be sent by registered mail or ordinary mail.

## 2.9 DEREGISTRATION OF FINANCIAL INSTRUMENTS

In conjunction with the deregistration of Financial Instruments, regardless of the reason, the Issuer and ES shall observe provisions in applicable legislation as well as regulations and instructions from Finansinspektionen (the Swedish Financial Supervisory Authority) or other authority. Furthermore, the Issuer and ES must assist in the transfer of information in the CSD Register to the Issuer or other Central Securities Depository taking place in such a manner that any disruptions of trading, where applicable, are prevented or minimised.

ES retains the right to ensure that the deregistration of the Issuer's Financial Instruments in accordance with these Rules is conducted, in the opinion of ES, in an adequate and safe manner so as to prevent forfeiture of rights for the owners of those Financial Instruments, registered rights holders or other persons affected. The Issuer, in consultation with ES, shall establish a date for the deregistration of the Financial Instrument. On deregistration of the Financial instrument, ES shall provide the Issuer or

other Central Securities Depository specified by the Issuer, in writing or in electronic form, with information concerning the holdings in the Issuer's CSD Register.

ES shall only charge the Issuer to cover costs for reasonable measures taken by ES in conjunction with the transfer of information in the CSD Register to the Issuer or another Central Securities Depository.

Approximately three (3) months following the exit, ES produces a final report of any remaining dividend and interest sums, and thereafter deposits the amount in the bank account that the Issuer has registered with ES.

If the Affiliation Agreement has been terminated, holders of the Issuer's Financial Instruments shall immediately be informed by the Issuer, after which the Issuer shall inform ES that such action has been taken.

Regardless of whether the Affiliation Agreement has ceased to apply, the terms and conditions specified therein and in these Rules shall apply to those legal obligations that had not been executed at the time the agreement was terminated.

## 2.10 AMENDMENTS AND SUPPLEMENTS TO THE RULES

ES reserves the right to amend or supplement these Rules. Such amendments or supplements shall, unless otherwise indicated, also affect any agreement already entered into with the Issuer.

ES shall notify planned amendments and supplements to the Rules to Stockholms Handelskammare (the Stockholm Chamber of Commerce), Svenskt Näringsliv (the Confederation of Swedish Enterprise), Svenska Fondhandlareföreningen (the Swedish Securities Dealers' Association) or other representative of the Issuer and Issuer Agent that ES deems appropriate. If such specified representatives have not, within fourteen (14) days of the notification, called for consultation with respect to the amendments and supplements in question, these will enter into force on such date as ES deems reasonable. Where consultation has been called for, this shall be completed by a date determined by ES. ES shall also inform above mentioned representatives of non-material changes to the Rules at least thirty (30) days prior to their entry into force.

ES shall notify Issuers and Issuer Agents affected by the planned amendments or supplements to the Rules at least thirty (30) days prior to their entry into force. Such notification shall be sent to the address or e-mail address specified by the Issuer and Issuer Agents.

Where an amendment or supplement is a consequence of legislation, decisions by courts of law or government authorities, or if extraordinary reasons exist, amendments and supplements may be implemented before the Issuer and Issuer Agent concerned has been notified or before consultation has taken place, coming into force with immediate effect.

## 2.11 APPLICABLE LAW AND DISPUTE RESOLUTION

The interpretation and application of the Rules shall be governed by Swedish law.

Disputes between Parties relating to the interpretation and application of the Rules and the Affiliation Agreement shall be determined by arbitration in accordance with Swedish legislation regarding arbitration in force at the time of the request for arbitration.

The provisions of the Swedish Code of Judicial Procedure regarding voting, the consolidation of cases and the allocation of legal costs shall apply. The arbitration proceedings shall be held in Swedish and take place in Stockholm, Sweden. With regard to disputes concerning overdue payment amounts which, at the time of filing the claim, do not exceed ten (10) price base amounts according to the Swedish National Insurance Act (1962:381), each Party is, however, entitled to bring legal action to a court of general jurisdiction in Sweden.

# A 3. ACCOUNT-KEEPING OF FINANCIAL INSTRUMENTS

## 3.1 GENERAL INFORMATION REGARDING ACCOUNTING-KEEPING OF FINANCIAL INSTRUMENTS

All Financial Instruments in the ES System have a unique ISIN number (International Securities Identification Number). The ISIN number is constituted according to an international ISO standard and consists of country code, serial number and control number, for example SE0000123456. ES assigns numbers in Sweden for both ES-affiliated and non-ES-affiliated Swedish Financial Instruments.

In the ES system, a distinction is drawn between Financial Instruments that are posted as ‘unit securities’ and that are represented by a number, for example a share or a warrant, and Financial Instruments that are posted as ‘amount securities’ and that are represented by a nominal amount, such as bonds and discount notes.

From a technical perspective, ES can only process the registration of unit securities that correspond to a whole number. To process fractions, the Issuer must appoint an Issuer Agent.

## 3.2 GENERAL INFORMATION ABOUT APPLICATIONS AND AFFILIATION AGREEMENTS

ES assesses each application for affiliation by an Issuer of Financial Instrument. This assessment includes a financial, legal, organisational and historical assessment of the Issuer filing the application.

By signing an Affiliation Agreement with ES, the Issuer is bound by the Rules according to the wording applicable at the time. Through the Affiliation Agreement, ES undertakes to maintain a CSD Register in accordance with LKF (the Financial Instruments Accounts Act) and, where applicable, to maintain the Issuer’s Register of Shareholders in accordance with ABL (the Swedish Companies Act).

An Affiliation Agreement is entered either in the form of an agreement for a specific Financial Instrument or in the form of a frame agreement under which it is possible for the issuer, according to specific conditions, to affiliate a number of Financial Instruments during the duration of the agreement.

ES does not have any obligations towards holders of Financial Instruments arising from these Rules, but only towards the Issuer, even if the fulfilment of ES’s obligations towards the Issuer in accordance with these Rules also entails legal consequences for holders of Financial Instruments.

The Issuer shall, upon affiliation and subsequently on a continuous basis, fulfil its obligations in accordance with Swedish or non-Swedish legislation applicable to the Issuer’s Financial Instruments (such as, for example, registration and reporting obligations, as well as obligations in respect of trading restrictions according to the U.S. Securities Act of 1933, the U.S. Securities and Exchange Act of 1934 or the legislation of another country in which the Issuer offers its Financial Instruments to investors).

In addition, an Issuer shall, upon affiliation and subsequently on a continuous basis, maintain a sound economy in its operations and always act in such manner that the trust of the general public in the securities market is upheld.

### 3.3 ACCOUNT-KEEPING OF SWEDISH SHARES

A requirement for the account-keeping of Swedish shares in the ES system is that a Record Date Provision is included in the Issuer's articles of association. Such a provision could be worded as follows:

“A shareholder or Nominee which is included in the Register of Shareholders on the record date and entered in a CSD Register in accordance with the Chapter 4 of the Financial Instruments Accounts Act (lagen (1998:1479) om kontoföring av finansiella instrument)) or which is entered on a CSD account according to Chapter 4, section 18, first paragraph, 6-8 of the said act, shall be deemed to be authorised to exercise the rights pertaining to Chapter 4, section 39 of the Swedish Companies Act (Aktiebolagslagen (2005:551))”.

Where the Record Date Provision is introduced by means of a change in the articles of association of the company, the board shall determine a date from which the Record Date Provision shall apply and shall submit this, together with the decision of the general meeting, to Bolagsverket (the Swedish Companies Registration Office) for the purpose of registration. The Issuer shall submit to ES a certificate of registration as evidence that the Issuer is registered as a CSD-registered company and the date from which the Record Date Provision is to apply. The Record Date Provision may not be applied until the registration has taken place.

#### 3.3.1 Issuer account

For each Issuer, ES automatically opens a ES Account ('issuer account'). Coupon shares for unknown owners are registered in this account as well as unexercised bonus share rights attributable to such coupon shares. Shares for which share certificates have not been issued, and where the holder at the time of affiliation to ES or during a subsequent Issue has not provided sufficient information to the Issuer to facilitate account-keeping, are also entered in the issuer account. It is incumbent on the Issuer according to Chapter 5, section 16 of the Swedish Companies Act (Aktiebolagslagen (2005:551))” to maintain a Register of Shareholders for such shares that are in the issuer account, even after the CSD Register has been set up for the Issuer's shares.

Shareholders who wish to register their coupon shares/bonus share rights in a ES Account should contact an Account Operator, which then passes on the assignment to ES. ES checks whether the number of coupon shares is to be adjusted as a result of any bonus issues and/or splits carried out in the company since the ES affiliation, and calculates any accrued dividend on the coupon shares. Following this, ES transfers the shares/bonus share rights from the Issuer's issuer account to the shareholder's ES Account, whereupon ES's responsibility for the Register of Shareholders will also encompass these shares.

### 3.4 ACCOUNT-KEEPING OF SWEDISH FINANCIAL INSTRUMENTS OTHER THAN SHARES

ES'S undertaking to keep a CSD Register in accordance with the Affiliation Agreement applies on the condition that ES, once it has been informed of the terms of the Financial Instrument or equivalent, has declared itself prepared to register this information in the ES System. ES only enters debt instruments that are intended for general conversion. Individual debt instruments cannot be entered by ES. In certain cases, ES may require

that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the account-keeping.

If the terms of the affiliated Financial Instrument are altered, it is the duty of the Issuer to submit the amendment to the terms immediately to ES for approval of the change.

#### 3.4.1 Account-keeping of debt instruments in a PM programme

ES'S undertaking to keep a CSD Register in accordance with the Affiliation Agreement applies on the condition that ES, once it has been informed of the terms or equivalent of the Financial Instrument, has declared itself prepared to register the debt instruments in the ES System and has approved that Issues in the PM programme can be registered in a PM Account.

The Issuer is responsible for ensuring, where applicable, that the upper limit that applies according to a particular PM programme is not exceeded, or, should this occur and it is permitted according to the terms of the PM Programme, that the upper limit is increased to the required level. Control functions exist in the ES System for this purpose.

If the terms for an affiliated Financial Instrument are altered, it is the duty of the Issuer to submit the terms immediately to ES for approval of the continuous account-keeping of the Financial Instruments.

### 3.5 ACCOUNT-KEEPING OF NON-SWEDISH SHARES

#### 3.5.1 General

A precondition for the affiliation of non-Swedish shares is that, after processing each individual case, ES has deemed that account-keeping in the ES System is possible. In certain cases, ES may require that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the account-keeping. Additional conditions for ES's account-keeping of non-Swedish shares are regulated in the Affiliation Agreement.

Those shares issued by the Issuer that are registered in the CSD Register at ES at any one time, correspond to the number of shares issued by the Issuer that are registered in ES's account with another Central Securities Depository or equivalent in the Issuer's home country.

With regard to non-Swedish shares, ES is entitled to demand a legal statement from the Issuer concerning the latter's right of access to information in the ES register of shareholders in accordance with the rules and regulations in its country of domicile. Where the foreign company has the right of access to information in the ES register of shareholders according to the rules and regulations of its country of domicile, ES can grant access with, or without, express restriction when registering at ES.

Where the foreign company does not have the right of access to information in the Register of Shareholders according to the rules and regulations of its country of domicile, ES may grant access on condition that the Issuer has reserved such right in, for example, a prospectus directed to the Swedish market, and that the company furthermore undertakes to be responsible for any damage that may befall ES due to claims as a consequence thereof.

### 3.5.2 Guarantees for non-Swedish issuers of shares

In addition to that stated in other parts of these Rules, by signing the Affiliation Agreement the Issuer guarantees:

- that laws, other statutes or directives from the authorities applicable to the Issuer, the Issuer's articles of association or equivalent, as well as agreements entered into by the Issuer, do not in any respect constitute an obstacle to the Issuer entering into and fulfilling the Affiliation Agreement and the undertakings and measures pursuant to the Affiliation Agreement and these Rules regarding e.g. the registration of shares in the Issuer's CSD Register,
- that the Issuer's shares have been properly issued by the Issuer and are not, in conjunction with the initial registration in the CSD Register, subject to another party's ownership rights, pledge rights, other security rights, other claims or other burdens, according to an agreement, law or other statute, in the Issuer's country of domicile or according to some other judicial system,
- that no physical shares or other physical documents have been issued or will be issued to holders of ES-registered shares, as long as these are kept with ES,
- that the Issuer grants holders of ES-registered shares the same standing and rights as the Issuer's other shareholders,
- that there is no obstacle, according to the law or other statute in the Issuer's country of domicile or according to the Issuer's articles of association or equivalent, to discriminating in favour of holders of ES-registered shares, to the extent this occurs with regard to the time of registration to the general meeting, the time for the payment of dividends, the currency in which holders of ES-registered shares receive dividends and other similar matters, if required due to technical, legal, practical or other reasons, and
- that the Issuer, to the required extent, has assured itself the right to study the information supplied to the Issuer through ES's fulfilment of its duty to submit particulars in accordance with these Rules.

### 3.6 ACCOUNT-KEEPING OF NON-SWEDISH FINANCIAL INSTRUMENTS OTHER THAN SHARES

A precondition for the affiliation of non-Swedish Financial Instruments other than shares is that, after processing each individual case, ES has deemed that account-keeping in the ES System is possible. ES only enters debt instruments that are intended for general conversion. Individual debt instruments cannot be entered by ES. In certain cases, ES may require that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the account-keeping.

In order to perform an assessment of whether the terms of the Financial Instrument can be processed in the ES System, ES must have access to these terms at an early stage. If the terms for an affiliated Financial Instrument are altered, it is the duty of the Issuer to submit the terms immediately to ES for approval of the change.

Where the foreign Issuer does not have the right of access to information according to the rules and regulations of its country of domicile, ES may grant access on condition that the Issuer has reserved such right in, for example, a prospectus directed to the Swedish market, and that the Issuer furthermore undertakes to be responsible for any damage that may befall ES due to claims as a consequence thereof.

In most cases ES cannot undertake to withhold or to report non-Swedish tax. For further information see section A 6 concerning tax.

# A 4. LIABILITY

## 4.1 GENERAL

Parties shall not under any circumstances be liable for negligence in fully or partially failing to execute a certain measure (even if the measure could be deemed as being included in the Party's undertakings in accordance with these Rules), if the measure is in conflict with any Swedish or non-Swedish applicable law, regulation or decision by the Finansinspektionen (the Swedish Financial Supervisory Authority) or other authority, the articles of association of ES or the Issuer, or with rules drawn up by ES regarding its operations in general.

Issuer, Issuer Agent and ES are in no event liable for deficient fulfilment of the undertakings in accordance with these Rules if the deficiency has been caused by other Parties deficient fulfilment of its undertakings in accordance with the Rules.

ES is not in any way responsible for damage caused by the Issuer itself, in taking measures, independent of ES, such as the payment of capital amounts or interest, which according to these Rules or to a special agreement are otherwise the responsibilities of ES. Damage that may occur for the Issuer in cases other than those stated above and that has been caused by ES shall not be compensated for by ES insofar as ES has acted with care and attention. ES shall under no circumstances be liable for indirect damage or consequential loss.

ES examines prospectuses or terms solely for the purpose of ensuring that ES is able to carry out its undertakings according to the Rules. Thus ES bears no responsibility for the correctness of information in the prospectus or that the prospectus has been drawn up in accordance with law.

ES shall not under any circumstances be liable for negligence in fully or partially failing to take a certain measure (even if the measure could be deemed as being included in ES's undertakings in accordance with these Rules), if the measure cannot reasonably be executed within the framework of ES's technical or personnel resources or if the measure entails financial undertakings that are unreasonably burdensome. In such cases ES shall without delay inform the Issuer that the measure requested cannot be executed.

## 4.2 FORCE MAJEURE

With regard to all obligations and actions in accordance with the Rules, neither the Issuer, ES nor the Issuer Agent can be held liable for damage arising as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental agencies, acts of war, natural or other disasters, breakdowns in telecommunications or other electronic communication, strikes, blockades, boycotts, lockouts or other similar circumstances which are not within a Party's control. The reservation with regard to strikes, blockades, boycotts and lockouts shall apply notwithstanding whether a party has itself implemented or is the object of such conflict actions.

Where a hindrance exists preventing Issuer, Issuer Agent and ES from taking actions due to such circumstance as mentioned in the paragraph above, the actions may be postponed until the hindrance no longer exists.

Where a hindrance exists preventing either Issuer, Issuer Agent and ES from making payment due to such circumstance as mentioned above, such Party is not liable for the

payment of interest at a higher interest rate than that which is equivalent to the reference interest laid down at any one time by the Riksbanken (the Swedish Central Bank), with a supplement of two (2) percentage points. If a Party, due to any circumstance mentioned in the paragraph above, is prevented from receiving a payment, such Party is entitled, for the time that has elapsed during which the obstacle existed, to interest according solely to the terms applicable on the date the payment became due. If the circumstance prevents a Party from fulfilling its obligation or from taking action for a period longer than three (3) months from the time when the obligation should originally have been fulfilled or the action should originally have been taken, the other Party is entitled to terminate the Affiliation Agreement, subject to a period of notification of one (1) month.

#### 4.3 PARTICULAR INFORMATION REGARDING LIABILITY FOR NON-SWEDISH SHARES

ES shall not under any circumstances be liable for holders of ES-registered shares being able to exercise ownership rights in relation to the Issuer that are available to the Issuer's shareholders, nor to receive those rights from the Issuer that are available to the Issuer's shareholders. Neither shall ES otherwise be liable for legal consequences or the absence of such consequences in accordance with law other than Swedish law, that are entailed by registration in the Issuer's CSD Register.

ES shall under no circumstances be liable for losses or damage affecting holders of ES-registered shares due to an entitlement or other benefit available to the Issuer's shareholders not being able to be distributed or otherwise transferred to the shareholders registered in the ES System due to technical, legal, practical or other similar reasons, or due to such an entitlement or other benefit being distributed to ES-registered holders at a later time compared to shareholders in the Issuer's country of domicile.

The Issuer undertakes to indemnify ES in full, which means that the Issuer is obliged to pay compensation to cover any cost that ES incurs in conjunction with demands or claims in accordance with that prescribed in this section A 4 from holders of ES-registered shares or others.

As a result of the guarantees provided by the Issuer in section A 3.5.2 above, the Issuer shall, in the event of deficiencies in these guarantees, compensate all costs of any type incurred by ES, directly or indirectly, following claims from holders of ES-registered shares.

# A 5. ISSUER AGENTS

## 5.1 GENERAL

In addition to regulating the relationship between the Issuer and ES, these Rules also regulate the relationship between the Issuer Agent and ES. The Issuer Agent is bound by the rules and instructions relating to Issues and other corporate actions as set out in the Rules, and shall apply the procedural descriptions that ES makes available on its website at any particular time.

In certain cases, an Issuer shall appoint an Issuer Agent. Requirements regarding the appointment of an Issuer Agent by the Issuer can be seen from the Rules and apply on initial affiliation of the Issuer's Financial Instruments, and primarily when undertaking voluntary corporate actions.

An Issuer Agent is responsible for information that has been received from the Issuer concerning the issue of Financial Instruments being registered in accordance with the Issuer's instructions and corresponding to the rules and routines that apply at any one time to the registration of Issues in the ES System. When an Issuer Agent, acting on instruction by an Issuer, carries out registration measures, it is incumbent on the Issuer Agent to ensure that it obtains authorisation from the ES Account holder to carry out the necessary registrations, and that consideration is given to pledge holders, representatives or other rights holders.

## 5.2 ACCESS REQUIREMENTS FOR ISSUER AGENTS

Access requirements for Issuer Agents can be seen from ES's General Terms and Conditions – Account Operations and Clearing and the Application instruction for participation including appendices. The Issuer Agent is bound by ES's General Terms and Conditions – Account Operations and Clearing and by ES's Rules for Issuers and Issuer Agents by signing the affiliation agreement, see section A 3.3 in ES's General Terms and Conditions – Account Operations and Clearing.

## 5.3 AUTHORISATION

The Issuer Agent appointed by the Issuer for a particular assignment is authorised, with binding effect, to represent the Issuer in relation to ES. ES reserves the right to examine and approve the Issuer's choice of Issuer Agent based on the technical pre-requisites of the Issuer Agent. The Issuer Agent shall provide ES with a list of its employees that are entitled to submit assignments to ES. This list must be updated immediately in the event of any changes.

## 5.4 MONITORING

ES monitors compliance with the Rules. ES holds regular meetings with the Issuer Agent with the aim of establishing that the Issuer Agent is fulfilling its obligations in accordance with these Rules. The Issuer Agent shall assist at such meetings. A meeting must be notified at least five (5) Banking Days in advance, unless particular reasons exist why this may not take place. The outcome of the meeting must be made available to the Issuer Agent as soon as possible.

#### 5.5 PARTICULAR INFORMATION REGARDING THE ISSUER AGENT'S LIABILITY WHEN AFFILIATING A CSD-REGISTERED COMPANY

An Issuer Agent shall be appointed by the Issuer when affiliating a CSD-registered company, and the Issuer Agent shall then comply with ES's instructions applicable at that time regarding the affiliation of CSD-registered companies. It is particularly incumbent on the Issuer Agent to obtain a confirmation by the Board of Directors of the Issuer ensuring that the Issuer's Register of Shareholders is kept in accordance with ABL, and that any share certificates submitted to the Issuer Agent at the time of the affiliation are cancelled in accordance with LKF. Once the Issuer has signed the Affiliation Agreement, the Issuer's shares can be affiliated to ES, whereupon the Issuer Agent will start registering shares in the ES Accounts.

#### 5.6 THE ISSUER AGENT'S HANDLING OF DEBT INSTRUMENTS IN A PM PROGRAMME

Registration of Financial Instruments in conjunction with an Issue in a PM programme is performed by one or more Issuer Agents. If there is more than one Issuer Agent participating in the Issue, the Issuer shall appoint a leading Issuer Agent that will maintain contact with ES. In order to become an Issuer Agent that issues debt instruments in a PM Programme, the Issuer Agent must be a Clearing Member in accordance with ES's terms in force at the time. The Issuer is responsible for the content of the information and the instructions given in conjunction with an Issue.

# A 6. TAXES

## 6.1 PRELIMINARY TAX

ES is obliged by law to withhold preliminary tax on dividend payments and interest payments that are disbursed via ES. Tax deductions are made for private individuals resident in Sweden and on the estates of deceased Swedish persons. The preliminary tax withheld is currently 30%. In the case of dividend payments on non-Swedish securities and Swedish depository receipts, preliminary tax shall be withheld at such an amount that, together with the tax withheld abroad, it amounts to 30% of the dividend. ES reports the withheld preliminary tax to SKV (the Swedish National Tax Board) each month.

## 6.2 COUPON TAX

Where the Issuer has commissioned ES to disburse dividend on a Swedish share, ES is obliged to withhold and report coupon tax on the dividend to shareholders who are not liable to taxation in Sweden. In accordance with the Coupon Tax Act (Kupongskattelagen 1970:624), certain other payments to shareholders shall be deemed a dividend payment. For example, dividend to shareholders is equivalent to a decrease in share capital or statutory reserve, payments in conjunction with the winding up of a company, payments to shareholders at the purchase by the company of its own shares through a directed repurchase offer, compensation other than shares in conjunction with the merger of a company, as well as certain payments in conjunction with the demerger of a company. For such payments equivalent to dividend, a special arrangement is required whereby ES shall be able to undertake such assignments. Where ES undertakes to execute the payments, ES shall withhold and report coupon tax for such payments as well.

Coupon tax is currently at 30%, but can be reduced if Sweden and the country of fiscal domicile of the person entitled to dividend payment have signed a double taxation agreement. ES reports the withheld coupon tax to SKV at the latest four (4) months after the time of the dividend payment.

In the case of unreported dividend payment due to non-redeemed coupon shares, ES currently pays 30% coupon tax to SKV (the Swedish National Tax Board) at the end of the first year after the time of the dividend payment. If the dividend payment occurs later than four (4) months before the end of the year, ES reports the withheld coupon tax the following year. When dividend thereafter is reported to a shareholder, 30% of the gross amount has been withheld as coupon tax.

In those cases where the payment to the shareholders concerns payment other than Swedish kronor (SEK) and coupon tax therefore must be calculated on the basis of property and/or foreign currency, the Issuer shall assume responsibility for the calculated value corresponding with the value accepted by SKV. The Issuer shall, upon demand from ES, compensate ES if ES has been held responsible by SKV for any outstanding coupon tax. In such cases the Issuer shall take over ES's right to regress against the shareholder.

If the Issuer has commissioned ES to handle a securities dividend exempt from tax or other transaction deemed by the Issuer to be exempt from tax, in its entirety or for a particular recipient, and ES has accepted the assignment, the Issuer undertakes to indemnify ES and to compensate ES for any expenditure and costs that ES may incur in the event that SKV or the recipient of the securities dividend subsequently makes a claim to ES in respect of the dividend or transaction in question.

Upon payment of the securities dividend, the Issuer shall submit information to SKV in good time and according to applicable statutes relating to taxation so that the values to be applied when calculating coupon tax, calculating preliminary tax, producing the statement of income and the annual statement can be sanctioned by SKV. In those cases where SKV does not sanction the above-mentioned values, the Issuer shall set the value. The Issuer is responsible for informing ES of the value to be applied when calculating the coupon tax, calculating preliminary tax, producing the statement of income and the annual statement.

### 6.3 STATEMENTS OF INCOME

In accordance with the statutes relating to taxation applicable at any one time, ES shall produce and send to SKV statements of payments of interest and dividend as well as withheld preliminary tax. The obligation to supply statements of income also includes supplying information to SKV in the event Financial Instruments are redeemed and in the event of certain allocations of Financial Instruments. ES shall also inform affected holders of Financial Instruments of the information submitted to SKV.

However, ES does not produce statements of income for holdings attributable to individual pension savings (IPS). In the event an Issuer Agent executes registration measures for such holdings, the Issuer Agent shall not produce statements of income either.

### 6.4 TAX WHEN PROCESSING NON-SWEDISH FINANCIAL INSTRUMENTS

The Issuer shall be responsible for any tax or charge imposed by an authority that is charged to ES or for which ES is responsible, on its own behalf or on behalf of another, arising from ES-registered Financial Instruments issued by the Issuer initially being registered in the CSD Register, and from Financial Instruments issued by the Issuer subsequently being added to or removed from the Issuer's CSD Register. ES shall inform the Issuer of any claim for taxes or charges when these become known to ES and, in the event this can take place without noteworthy prejudice to ES, make it possible for the Issuer to object to or take measures to set aside such claims.

The Issuer undertakes to indemnify ES in full, which means that the Issuer is obliged to pay compensation to cover any cost incurred by ES or a supplier of ES in conjunction with demands or claims in accordance with the previous paragraph.

## B. SERVICES FOR FINANCIAL INSTRUMENTS

### B 1. GENERAL

ES carries out assignments with its own personnel or, should the practical processing require this, by using the services of a bank, a securities company or other external enterprise. ES reserves the right not to commence the implementation of an assignment in the event that ES deems that the board or general meeting decision upon which the assignment is based is of such nature that Bolagsverket (the Swedish Companies Registration Office), in due consideration of the law, is prevented from registering the decision.

During the course of the assignment or the term of the Financial Instrument, changes may become necessary in respect of information in the order, conditions, etc. Provided processing in the ES System is technically possible, information in submitted assignments can be changed while the assignment is in progress. What kind of information and the number of changes that can be made during an ongoing term is limited, which is why ES must be consulted before any changes to the information are made.

#### 1.1 PLANNING ASSIGNMENTS AND ORDERS

A contact person, Issuer Agent or other representative notified by the Issuer to ES is authorised to represent the Issuer in relations with ES in respect of assignments and orders.

The issuer, or where applicable another company (client) that is targeting an offer at shareholders in a ES-registered company, shall consult ES at an early stage to ensure that the intended action is possible to implement both from a scheduling and a technical point of view. In consultation with ES, the client determines:

- the terms and record date,
- which routines are to be used, and
- a timetable for the implementation.

When the joint planning has been completed, the client shall submit a written order for the assignment to ES in accordance with ES's standard forms applicable at the time. A number of assignments can be registered as preliminary.

Certain orders and assignments are submitted via ES's Internet-based Service. ES's Internet-based Service and the terms applied to the services can be accessed on ES's website.

#### 1.2 PROSPECTUS AND SUBSCRIPTION FORMS

Where applicable, the Issuer or another company (client) that is targeting an offer at the shareholders in a ES-registered company designs the prospectus that is to describe the Issue as well as a subscription form in those cases where such a form is to be used. If the client prefers a certain notification not to take place, this shall be stated in the prospectus.

The order to ES must state what kind of notification is to be given and what text is to be used on the notification.

### 1.3 RESPONSIBILITY FOR REGISTERED INFORMATION

The Issuer is responsible in respect of ES for the content of orders and assignments submitted to ES, even if the assignment is received from an Issuer Agent. ES is responsible for ensuring that the information received from the Issuer is registered in the ES System according to the Issuer's instructions and in accordance with LKF (the Financial Instruments Accounts Act). In those cases where an Issuer Agent is appointed, the Issuer Agent shall check and approve the registered information in the VPC-system.

### 1.4 RESERVATION OF ISIN

ES can, at the request of the Issuer, reserve an ISIN for particular Financial Instruments, although not for e.g. Paid Subscription Shares (BTA). The request to reserve an ISIN must be delivered to ES by 3 pm (15.30) at the latest in order for ES to secure reservation of ISIN on that day.

### 1.5 SUBMISSION OF ISSUE ASSIGNMENT

Unless otherwise indicated in these Rules, all definite assignments in respect of issue assignments relating to Financial Instruments that are admitted for trading on a regulated market or a multilateral trading facility must be delivered to ES by 3 pm (15.00) at the latest, five (5) Banking Days before the record date.

For Financial Instruments that are not admitted for trading on a regulated market or multilateral trading facility, all definite assignments in respect of issue assignments must be delivered to ES by 3 pm (15.00) at the latest, three (3) Banking Days before the record date.

If the issue assignment relates to an increase or decrease in the issued number or amount, this assignment must be delivered to ES by 3 pm (15.00) at the latest in order for ES to undertake to implement the assignment on that day.

## B 2. OWNER INFORMATION

ES produces Lists of owners in accordance with law and to order. A List of owners is a compilation of holders of Financial Instruments for a particular Issuer. There are three types of lists of owners for directly registered holders of Financial Instruments: Register of Shareholders, Register of Creditors and Other Register. Directly registered holders of Financial Instruments and Nominees according to LKF are entered in the Register of Shareholders, Register of Creditors and Other Register maintained by ES.

If the Issuer wishes to obtain information on the underlying holders of Financial Instruments at the Nominees, it is possible to order a Nominee list of owners regarding the Financial Instruments in question. The Nominee list can be produced together with a Register of Shareholders, Register of Creditors and Other Register.

As the Register of Shareholders, Register of Creditors and Other Register are updated automatically and continually, technical constraints mean that ES cannot produce a Register of Shareholders regarding historical conditions at times other than those when ES has already produced a Register of Shareholders at the request of the Issuer or in accordance with law.

The Register of Shareholders presents information attributable to holders of shares. The Register of Creditors is prepared for various types of debt instrument, while the Other Register is kept for those types of Financial Instrument that are neither shares nor debt instruments, such as warrants.

### 2.1 REGISTER OF SHAREHOLDERS

A Register of Shareholders contains personal identification number, organisation number or other identification number, name, address, number of shares, share type and voting power. The Register of Shareholders shows holders of shares (AK) and interim shares (IA), as well as owners of paid subscription shares (BTA) allocated by the board of the Issuer and/or unpaid subscription shares (OTA), if this has been requested by the Issuer.

The Register of Shareholders also shows information about any conversion restrictions, redemption restrictions and restrictions on pre-emptive rights. In certain cases, the Register of Shareholders contains a specification of voting power for shares that are the subject of a pre-emptive rights review. This presupposes that the Issuer has specified in the articles of association that the buyer or the seller shall have voting power during the pre-emptive rights period.

Shares that are under a pre-emptive rights review and entered in a temporary pre-emptive rights account, as well as Financial Instruments registered in an issuer account, are also presented as summary items see section A 3.3.1.

Information that has been removed from the Register of Shareholders or the Nominee list of owners regarding shares is kept by ES for at least ten (10) years.

### 2.2 REGISTER OF CREDITORS AND OTHER REGISTER

A Register of Creditors or Other Register comprises information from the CSD Register concerning a particular Financial Instrument, and contains details relating to the Account Holder's name, address, personal or other identification number, as well as the total quantity or aggregate amount of Financial Instruments held.

Information regarding the content of the Register of Creditors or Other Register may not be disclosed to the Issuer, unless the latter has reserved such right in the terms and conditions for Financial Instruments issued, in a prospectus or other similar document. However, an Issuer of units in collective investment undertakings does not need to reserve a right of access specifically in the terms and conditions regarding direct registered holders. Those Issuers that have issued debt instruments before 1 April 1996 have the right of access to these debt instruments in the Register of Creditors, insofar as they have not waived that right in the terms and conditions of the debt instrument. However, the Issuer cannot reserve the right of access to information in the Register of Creditors for Financial Instruments issued in a PM programme.

The Issuer's reservation of the right of access to information in the Register of Creditors, Other Register or CSD Register does not entail the right to obtain any information from ES concerning pledges and other restrictions in the right to dispose of Financial Instruments or payment arising from this.

### 2.3 NOMINEE LIST OF OWNERS

Nominees are obliged with respect to ES to maintain a list of owners and other rights holders regarding the Financial Instruments that are managed on behalf of the customer. The Nominee list of owners contains information about name, personal identification number, organisation number or other identification number, address and number of Financial Instruments held, or the aggregate amount of Financial Instruments held.

At the request of ES, Nominees must provide ES with information about their underlying holders of Financial Instruments.

### 2.4 PUBLIC REGISTER OF SHAREHOLDERS AND PUBLIC NOMINEE LIST OF OWNERS

ES is responsible by law for the production of a public Register of Shareholders and a public Nominee List of Owners regarding shares in CSD-registered companies. A public Register of Shareholders and public Nominee List of Owners regarding shares may not be more than three months old and must contain information on shareholders that have more than five hundred shares. ES produces the public Register of Shareholders and public Nominee List of Owners four times a year, on 31 March, 30 June, 30 September and 31 December.

The public Register of Shareholders and public Nominee List of Owners must be available to the general public at both ES and the Issuer.

The Nominees report the total holdings of shares in CSD-registered companies, i.e. even those with fewer than five hundred shares, since a shareholder could have holdings at more than one Nominee. When compiling the information, the total of all reported holdings is calculated, and only holdings of more than five hundred shares are shown in the printout. If a shareholder's holding is divided between several ES Accounts, these holdings are also totalled when producing the public Register of Shareholders.

The general public is entitled, at a charge to cover ES's costs, to order a copy of the public Register of Shareholders and the public Nominee List of Owners from ES or from the Issuer. If an order relates to a time other than those times when ES produces public lists by law, ES will notify the relevant Issuer of this.

## 2.5 ORDER AND DELIVERY TO ISSUER

The ordering and delivery to an Issuer of lists of owners, as well as the delivery of a public Register of Shareholders and Nominee List of Owners, are always performed electronically via ES's Internet-based Service. Lists of owners, a public Register of Shareholders and a public Nominee List of Owners may be delivery in printed form by special order.

The Issuer's order of a list of nominee-registered owners must have reached ES at least two (2) Banking days before the Retrieval Date. The aforementioned date may only be either a Friday or the final Banking day of the month. The delivery of a Nominee List of Owners takes place four (4) Banking days after the Retrieval Date.

## 2.6 ADDRESS DETAILS

Address details regarding holders of Financial Instruments may be ordered by the Issuer via ES's Internet-based Service. In order for the Issuer to receive information regarding addresses of owners of Financial Instruments other than shares, the Issuer must have reserved the right of access to information in the Register of Creditors or Other Register in the terms and conditions for the Financial Instrument. Where applicable, the information covers addresses of representatives or guardians for a minor. The address details ordered are delivered electronically via ES's Internet-based Service. The address details can also be ordered in printed form on adhesive labels.

## 2.7 MESSAGE ROUTINE

ES's message routine is a service whereby the Issuer has the potential to send brief information to certain categories of direct-registered shareholders.

The service ES's message routine can be sent either in file format or as hardcopy. File format makes it easier if the Issuer, at some point in conjunction with a subscription process, wishes to send a reminder with the subscription form, which can thus be pre-printed with the relevant information.

If the Issuer chooses delivery as hardcopy, the information text may consist of a maximum of nine lines of sixty characters per line. The message routine can also send these in envelopes together with other enclosures, although only via an external distributor.

In the event that the information contains confidential data messages must be distributed to holders of Financial Instruments via an external distributor or via ES.

## B 3. PAYMENTS

### 3.1 CASH PAYMENT

At the request of the Issuer, ES shall disburse payment (dividend, interest, repayment of capital amount or other payment) to those who, according to the CSD register, are entitled to this.

ES is obliged by law to withhold preliminary tax and coupon tax on dividend payments, as well as preliminary tax for interest payments that are disbursed via ES. ES provides the Issuer with a report of the amounts disbursed. ES's obligations presuppose that the Issuer has made full payment to ES in accordance with the following rules.

Orders to ES regarding payments other than share dividends shall be signed by the authorized person that has been notified to ES. If the order is not duly signed, ES is entitled to deny the execution of the payment until a properly signed order has been received by ES.

### 3.2 PAYMENT ACCOUNT

In conjunction with an order to ES to make a dividend payment, the Issuer must specify a bank account for dividend payment, known as a 'payment account'. It is incumbent on the Issuer to ensure that ES has a disposition power of attorney on the account, i.e. that ES is entitled to debit the account in accordance with the Issuer's payment order. The Issuer's payment account is charged on the payment date.

When an Issuer affiliates a debt instrument to ES for the first time, the Issuer must specify a payment account. If the Issuer has several debt instruments or if the Issuer is a CSD-registered company, the same account is used for all payments in the same currency.

### 3.3 PRE-SETTLEMENT CHECK

The Issuer shall make payment funds available to ES in the payment account at the latest on the Banking Day prior to the payment day, or reach a specific agreement with the Issuer's bank to the effect that:

- the Issuer must make payment funds available in the payment account during the payment day, and
- the Issuer's bank undertakes on the payment day and in accordance with the routines and times for pre-settlement checking as agreed between Bankgirocentralen AB (BGC) and the banks, to inform BGC that the payment has been approved.

On the payment day, a check is performed automatically as to whether there are sufficient funds in the Issuer's payment account for the relevant payment. This 'pre-settlement check' as it is called is carried out in accordance with the routines and times for pre-settlement checking agreed between BGC and the banks. In the event that insufficient funds are available in the payment account during any of these pre-settlement checks, the payment is automatically moved to the subsequent Banking Day. If funds are still not available during any of the pre-settlement checks made on this day, the payment assignment is reported back to ES, whereupon ES notifies the Issuer that payment has not been made. However, ES is not obliged to notify those holders who are entitled to receive payment that no payment has been made.

In the event debt instruments issued in a PM Programme are posted in a ES Account at the time of a repayment of a capital amount, there is no automatic transfer of payment to the subsequent Banking Day if funds are not available in the payment account during any of the above pre-settlement checks. Instead, the payment assignment is reported back to ES on the actual payment day.

For a repayment of a capital amount, the Financial Instruments in question are deregistered from the holder's ES Account.

#### 3.4 ORDERING DIVIDEND PAYMENT

Dividend payments are ordered via ES's Internet-based Service. When the board's proposal for dividend has been published, a preliminary dividend order shall be placed with ES, although not later than four weeks prior to the general meeting. If the decision on the dividend is passed at an extraordinary general meeting, the preliminary order shall be made at least two (2) weeks before the extraordinary meeting. The order must contain information about the proposed dividend, as a total and per share, any repurchased shares, the currency, date of the general meeting, record date, payment date, together with details of the payment account.

When the general meeting has passed a decision on the dividend, the Issuer must immediately place a definite order with ES. The order must be placed not later than two Banking Days prior to the record date for the dividend. On the payment day, ES shall debit the payment account in accordance with the Issuer's dividend order, provided that the payment amount is available to ES according to the Issuer's order. If a preliminary order has been placed and the general meeting should decide that no dividend payment is to be made, the Issuer must inform ES accordingly.

ES debits a payment amount for the shares from the payment account, as well as any dividend on unexercised coupon shares, preliminary tax and unreported coupon tax. Unreported dividend may be held at ES for a maximum of ten (10) years. Dividends prior to this are barred by the statute of limitations and paid back to the Issuer.

##### 3.4.1 Payment to those entitled to dividend

Three (3) Banking Days after the record date, ES dispatches the dividend amount via BGC to the recipients, unless another payment day has been stated in the definite order and ES has accepted, according to a separate agreement, that such later payment date is to apply. Information is then sent to these recipients in the form of a securities statement. A deposit is made in the bank account or Plusgiro account on the payment day. If the yield is not to be paid into an account, the payment is sent via bank giro to recipients domiciled in Sweden. Payment to recipients domiciled abroad is made via the banks' international payment system SWIFT or by foreign cheque.

##### 3.4.2 Repurchased shares

According to the Swedish Companies Act (ABL), repurchased shares are not entitled to any dividend. In the preliminary dividend order, the Issuer shall, in addition to that which is stated above, disclose the share type for the repurchased holdings and in which ES account(s) these holdings are registered, so that the said holdings can be exempted from the disbursement. Should the holdings in question be nominee-registered, the exemption referred to cannot be executed. If the size of the holdings changes during the period up to the time when the definite order is made, the new holdings must be specified in the definite order.

### 3.4.3 Shareholders who are to be exempted from dividend

If the general meeting determines that some shareholders are to be exempted from a dividend, the shareholders' holdings must be temporarily converted into a type of share that does not generate any share dividend, such as AK U (share without dividend right).

Anyone who is exempted from dividend payment must contact his or her Account Operator and transfer their shares to a ES Account specifically indicated by ES. Following this, ES implements the conversion to the type of share that does not grant entitlement to dividend. In its decision on the record date, the general meeting must give consideration to the fact that a number of extra days may be required for the transfer of the shares and their conversion, which is why the record date in such cases must be set later than three (3) Banking Days after the general meeting.

### 3.4.4 Timetable for dividend payment in SEK

<u>DAY</u>	<u>EVENT</u>
Day -3	General meeting. Final day for trading with shares inclusive of dividend entitlement.
Day -2	First day for trading exclusive of dividend entitlement.
Day 0	Record date. ES performs a dividend calculation.
Day 1	Check and approval of the calculation by ES. Notifications sent to holders of ES Accounts.
Day 3	Dividend day. ES disburses, on instruction from the Issuer, the dividend payment via BGC.
Day 4	Reporting to the Issuer.

### 3.4.5 Payment funds for bonus share rights not owner-registered

The dividend funds for bonus share rights that are not owner-registered are reported to the Issuer on the payment day to the bank account specified by the Issuer for dividend funds barred by the statute of limitations.

### 3.4.6 Limitation of dividend

When the right of a shareholder to dividend has been barred according to the statute of limitations, ten years after record date, ES sends a final report on the remaining dividend to the Issuer. Remaining funds are transferred to the Issuer. In the case of uncashed cheques and bank giro slips, the Issuer receives details about the recipients.

## 3.5 PAYMENTS ON DEBT INSTRUMENTS WITHIN THE AM SECTION

The record date for an interest payment and the redemption of Debt instruments is five (5) Banking Days prior to due date. If the due date occurs on a day which is not a Banking Day, the payment day is postponed to the subsequent Banking Day or according to the terms specified for Financial Instruments.

### 3.5.1 General

For payments of capital amounts and/or interest ES undertakes:

- a) to determine who is entitled, on the Record Date for each payment, to receive the payment,
- b) to pay on due date the authorised recipient according to a) above,
- c) in certain cases to make a preliminary tax deduction, pay the withheld amount and to prepare income statements, all in accordance with the statutory provisions applicable at any one time, and
- d) to provide the Issuer with a statement showing any unpaid amounts.

ES shall inform all Account Operators, Clearing Members and Issuer Agents in the event that ES is prevented from participating in the payment on a certain due date.

A payment of a capital amount and/or interest that is effected without the participation of ES is made at the risk and responsibility of the Issuer.

### 3.5.2 Preparations and ordering of interest and redemption

Two (2) weeks before the record date, ES sends information to the Issuer for an interest payment and/or redemption. The information contains details needed for the payment. The Issuer checks and supplements the information and approves the payment assignment.

Assignment orders for ES regarding interest payment for Debt instruments must be returned as soon as possible to ES, although no later than 3 pm (15.00) five (5) Banking Days prior to the record date.

Assignment orders for ES regarding payments attributable to the redemption of Debt instruments must be returned as soon as possible to ES, although no later than 3 pm (15.00) one (1) Banking Day prior to the record date.

### 3.5.3 Repayment to holders of debt instruments

For payments to holders of Debt instruments, ES pays an interest and/or capital amount to the recipients at the earliest five (5) Banking Days after the record date via BGC, on condition that the payment amount according to the Issuer's order is at ES's disposal. These recipients receive information in the form of a securities statement approximately three (3) Banking Days after the record date. If the yield is not to be paid into an account, the payment is sent via bank giro to recipients domiciled in Sweden. Payment to recipients domiciled abroad is made via the banks' international payment system SWIFT or by foreign cheque. Deposits are made in bank giro accounts on the payment day.

In the event that physical Financial Instruments exist that have not been handed in for cancellation, the interest/capital amount is blocked until the owner has delivered them and had them cancelled. The holder is informed by means of a securities statement that the payment has been blocked pending cancellation. The blocked funds are paid out three (3) Banking Days after the Financial Instrument has been cancelled. Capital payments are also blocked for ES Accounts with legal encumbrance, and for pledge accounts where there is no indication of rights holders.

### 3.5.4 Amortization of Debt Instruments

Record Date for amortization of Debt instruments is five (5) Banking Days prior to the due date. If the due date occurs on a day which is not Banking Day, the payment day is moved to the next following Banking day or other day according to the specified terms and conditions for the Financial Instrument.

Approximately one (1) month prior to the Record Date, ES sends out information to the Issuer regarding amortization. The information contains details needed for the payment. Assignments for ES regarding amortization for Debt instruments must be returned as soon as possible to ES, although no later than 3 pm (15.00) fourteen (14) Banking Days before the Record Date.

If amortization shall be effected regarding Debt Instruments which also have interest payments during the term of the Debt Instrument, the Record Date for amortization must coincide with a Record Date for interest payments in order for ES to be able to distribute the payment.

### 3.5.5 Timetable for interest payment, amortization and redemption in SEK

<u>DAY</u>	<u>EVENT</u>
Day -30	the form "Order for amortization" is sent by ES to the Issuer
Day -16	The forms 'Order for interest payment' and 'Order for payment of redemption amount' are sent by ES to the Issuer.
Day -14	The Issuer must return the signed form regarding "Order for amortization".
Day -5	The Issuer must return the signed 'Order for interest payment' form at the latest by this day.
Day -3	Final day for trading with Financial Instruments inclusive of payment entitlement.
Day -2	First day for trading exclusive of payment entitlement.
Day -1	The Issuer must return the signed 'Order for payment of redemption amount' forms at the latest by this day.
Day 0	Record date..ES performs a payment calculation.
Day 1	Check and approval of the calculation by ES. Notifications sent to holders of ES Accounts.
Day 5	Payment day. ES disburses, on instruction from the Issuer, the payment via BGC.
Day 6	Reporting to the Issuer.

### 3.6 PAYMENT IN CONJUNCTION WITH REDEMPTION OF WARRANTS AND BASKET CERTIFICATES

Assignments for ES regarding payments attributable to the redemption of warrants (WT) and basket certificates (KRG) must be returned to ES no later than 3 pm (15.00) five (5) Banking Days prior to the payment date. See also section B 6 concerning Conversion Date.

### 3.7 INTEREST PAYMENTS AND REDEMPTION OF DEBT INSTRUMENTS IN A PM PROGRAMME

#### 3.7.1 General

Payments related to capital amounts and interest must be made via ES, unless ES is prevented from participating in the payment as a result of such circumstance as described in section A 4.2. Where the payment of a capital amount and/or interest is concerned, ES undertakes:

- a) to determine who is entitled, on the record date for each payment, to receive the payment,
- d) to pay on due date the authorised recipient according to a) above,
- e) in certain cases to make a preliminary tax deduction, pay the withheld amount and to prepare income statements, all in accordance with the statutory provisions applicable at any one time, and
- d) to provide the Issuer with a statement showing any unpaid amounts.

ES shall inform all Account Operators, Clearing Members and Issuer Agents in the event that ES is prevented from participating in the payment on a certain due date.

A payment of a capital amount and/or interest that is effected without the participation of ES is made at the risk and responsibility of the Issuer.

### 3.7.2 Bank account for payment

When an Issuer issues a debt instrument in a PM Programme, a dedicated and permanent bank account shall be opened on behalf of the Issuer to be used for all payments relating to the debt instrument.

This bank account must be used both for interest payments and redemptions, as well as if the Issuer has issued debt instruments in more than one PM Programme, and ES shall have the right of disposition on the account. It is incumbent on the Issuer to ensure that ES has such right of disposition.

### 3.7.3 Interest and redemption of debt instruments

The record date for an interest payment for Debt instruments issued in a PM programme is five (5) Banking Days prior to the payment date. The record date for the redemption of Debt instruments issued in a PM programme and registered in a PM Account is one (1) Banking Days prior to the payment date, and two (2) Banking Days prior to the payment date if the Financial Instrument is registered in a ES Account within the AM section.

If the due date occurs on a day which is not a Banking Day, the payment day is postponed to the subsequent Banking Day or according to the terms specified for Financial Instruments.

At the time stipulated in the ESs General Terms and Conditions – Account Operations and Clearing applicable at any one time, a bar on registration for Debt instruments registered in PM accounts is implemented the day before the redemption date for the Financial Instrument that is to be redeemed. After this point in time, no further changes may be registered to the holdings of the owner, nor may any further issues be executed in the Financial Instrument. For debt instruments registered in ES Accounts within the AM section, a bar on registration is implemented seven (7) Banking Days before the redemption date in the Financial Instrument that is to be redeemed. After this point in time, no further changes in owner holdings may be registered for ES Accounts within the AM section.

### 3.7.4 Preparations and ordering interest

Two (2) weeks before the record date, ES sends information to the Issuer for interest payments. The information contains details needed for the payment. The Issuer checks and supplements the information and approves the payment assignment.

Assignments for ES regarding interest payments for Debt instruments issued in the PM section must be returned as soon as possible to ES, although no later than 3 pm (15.00) on the record date.

### 3.7.5 Payment funds

The Issuer shall make the capital amount and/or interest amount available to ES in the payment account at the latest on the Banking Day prior to payment day, or reach a separate agreement with the Issuer's Issuer Agent to the effect that:

- the Issuer must make payment funds available in the payment account during the payment day,
- the Issuer's Issuer Agent undertakes on the payment day and in accordance with the routines and times for pre-settlement checking as agreed between

Bankgirocentralen AB (BGC) and the banks, to inform BGC that the payment has been approved, and

- there are limits (see also ES's General Terms and Conditions - Account Operations and Clearing) in place at the times stipulated in ES's General Terms and Conditions - Account Operations and Clearing applicable at any one time, in order that the payment amount to be checked by ES can be approved.

### 3.8 OTHER PAYMENT

According to a separate assignment from the Issuer, ES may also handle other payments attributable to certain Financial Instruments, although not for Financial Instruments issued in a PM programme. For such payments, the Issuer must notify ES about the tax management that is to be applied, as well as the extent to which statements of income and annual statements are to be produced.

### 3.9 DIVIDEND PAYMENT IN EURO FOR FINANCIAL INSTRUMENTS ISSUED IN THE AM SECTION

#### 3.9.1 Ordering payment

If payment is to be made in euro, the Issuer, in addition to holding a payment account in Swedish kronor, shall also open a payment account in euro in its own name. It is incumbent on the Issuer to ensure that ES has the right of disposition to the payment account, i.e. ES shall be entitled to debit the account in accordance with the Issuer's payment order. ES processes the exchange, unless the Issuer has specifically made known to ES that it is the Issuer itself that is handling the exchange. The terms for each procedure are set out below.

At the earliest five (5) Banking Days after the record date, ES dispatches the dividend amount to the recipients, unless a later payment day has been stated in the definite order and ES has accepted, according to a separate agreement, that such later payment date is to apply. Information is then sent to these recipients in the form of a securities statement. If the yield is not to be paid into an account, the payment is sent via bank giro to recipients domiciled in Sweden. Payment to recipients domiciled abroad is made via the banks' international payment system SWIFT or by foreign cheque. A deposit is made in the bank account or Plusgiro account on the payment day.

#### 3.9.2 Information for currency exchange

Where the ES Account holders only have an income account in Swedish kronor, an exchange must be made from euro to Swedish kronor. An exchange is also made of withheld preliminary tax, withheld coupon tax, assets for dividend on non-redeemed coupon shares and on all payments via bank giro. Payments to recipients in other countries are also exchanged into Swedish kronor. ES allows the Nominees a certain time after record date to report to ES the proportion of their holdings they wish to exchange into Swedish kronor.

#### 3.9.3 The Issuer handles the exchange

##### Day 2 according to the timetable (see section 3.9.5)

After 12.00 (12 noon) ES can see how much of the dividend is to be exchanged into Swedish kronor. ES informs the Issuer of the amount to be exchanged.

##### Day 3 according to the timetable (see section 3.9.5)

By 12.00 at the latest, the Issuer must have informed ES of the exchange rate in question, and the amount to disburse in Swedish kronor. The payment amounts, both in Swedish kronor and in euro, must be available in each of the Issuer's payment accounts not later than the Banking Day prior to the payment day.

#### 3.9.4 ES handles the exchange

##### Day 2 according to the timetable (see section 3.9.5)

After 12.00 (12 noon) ES can see how much of the dividend is to be exchanged into Swedish kronor. ES informs the Issuer of the amount to be exchanged. In order to be able to effect the exchange, ES must have access to the amount in euro that is to be exchanged at the latest on the morning of Day 3 according to the timetable. The amount is deposited in the account specified by ES.

##### Day 3 according to the timetable (see section 3.9.5)

ES orders an exchange. By 12.00 ES receives information on the exchange rate and amount in Swedish kronor from a bank used by ES. The bank ensures that the amount is available in the Issuer's payment account in Swedish kronor not later than the morning of payment day. The Issuer is responsible for ensuring that the remaining amount is available in the Issuer's payment account in euro not later than the Banking Day prior to the payment day.

In the event that ES incurs any additional costs as a result of the exchange, such costs will be invoiced separately to the Issuer.

#### 3.9.5 Timetable for cash distributions in euro

<u>DAY</u>	<u>EVENT</u>
Day -30	the form "Order for repayment" is sent by ES to the Issuer
Day -16	The forms 'Order for interest payment' and 'Order for payment of redemption amount' are sent to the Issuer.
Day -14	The Issuer must return the signed form regarding "Order for repayment".
Day -5	The Issuer must return the signed 'Order for interest payment' and 'Order for redemption amount' forms at the latest by this day.
Day -3	Final day for trading inclusive entitlement.
Day -2	First day for trading exclusive entitlement.
Day 0	Record date.
Day 1	Nominee reporting of which amount to be exchanged.
Day 2	Nominee reporting continues up to 12.00. The Issuer is informed by ES of the amount to be exchanged.
Day 3	The exchange rate must be notified to ES by the Issuer no later than 12.00.
Day 4	Notifications are sent by ES to ES Account holders.
Day 5	Payment day. ES disburses, on instruction from the Issuer, the cash distribution via BGC.
Day 6	Reporting to the Issuer.

## B 4. SERVICES, SWEDISH SHARES

### 4.1 GENERAL MEETING

#### 4.1.1 Ordering general meeting register of shareholders

The Issuer must place an order with ES for the general meeting register of shareholders as soon as the board has determined the date of the meeting, although not later than 28 calendar days before the general meeting. In the case of an extraordinary general meeting, the Issuer must place an order for the general meeting register of shareholders with ES at the latest 14 calendar days before the general meeting. Where possible, preliminary information concerning the share dividend shall be given in the order. After ES has registered the order for the general meeting register of shareholders, the voting rights routine is opened, i.e. the routine whereby the Nominee is able to register the voting rights of its underlying shareholders. In the event the Issuer chooses to cancel a general meeting, ES must be informed of this immediately.

It is of outmost importance that the Issuer orders the general meeting register of shareholders as early as possible so that the Nominee has sufficient time to register the voting rights of its custody customers. A consequence of a late order of general meeting register of shareholders by the Issuer may be that the Issuer's shareholders will not have time to register voting rights for their holdings and hence lose their entitlement to participate at the general meeting.

The general meeting register of shareholders is compiled on the day that occurs five Weekdays before the general meeting, known as record date for the general meeting register of shareholders. In its articles of association, the Issuer may specify that a later date shall be the record date for the general meeting register of shareholders. The above-mentioned later date may not be stipulated to take place later than the Weekday prior to the general meeting. If the record date for the general meeting register of shareholders falls on a day that is not a Banking Day, the general meeting register of shareholders will be compiled on the Banking Day immediately preceding this day. The register will, however, be dated with the date of the record date.

The register is delivered to the company electronically via ES's Internet-based Service on the first Weekday after the record date. The general meeting register of shareholders can be obtained in printed form if specially ordered. Address details for the invitation to the general meeting can be ordered via ES's Internet-based Service.

#### 4.1.2 Content of the general meeting register of shareholders

The general meeting register of shareholders shows owners of shares (AK) and interim shares (IA), as well as owners of unpaid subscription shares (OTA) allocated by the board of the Issuer and/or paid subscription shares (BTA), if this has been requested by the Issuer. Unallocated OTA and BTA are shown in a separate list.

Where applicable, the general meeting register of shareholders also shows information about conversion restrictions, redemption restrictions and restrictions on pre-emptive rights. Shares that are under a pre-emptive rights review and entered in a temporary pre-emptive rights account, as well as Financial Instruments registered in an issuer account, are also presented as summary items. In certain cases, the general meeting register of shareholders contains a specification of voting power for shares that are the subject of a pre-emptive rights review. This presupposes that it is specified in the Issuer's articles of

association that the buyer or the seller shall have voting power during the pre-emptive rights period.

The general meeting register of shareholders must by law be available to shareholders at the general meeting, but is not a Public Register of Shareholders. The general meeting register of shareholders must be kept by the Issuer for ten (10) years.

#### 4.1.3 Entitlement to attend a general meeting

Anyone who on the record date for the general meeting register of shareholders is listed in the general meeting register of shareholders compiled by ES, and who, where applicable, has notified the Issuer by the date stated in the invitation to the meeting, has the right to participate in the general meeting.

For those shareholders that have their shares nominee-registered, the Nominee shall, at the request of the shareholder, register the shares temporarily in the name of the owner, which is known as voting rights registration. Such registration must be conducted by the record date for the general meeting at the latest. This temporary voting rights registration ceases to apply once the record date has passed.

## 4.2 ISSUES

### 4.2.1 Appointment of Issuer Agent

In the event of voluntary issues where the shareholder has a choice, and for certain compulsory issues where the shareholder has no choice, an Issuer Agent must be appointed by the Issuer to handle the issue. The Issuer Agent, on instruction from the Issuer, is responsible for handling the subscription of shares, handling the sale of odd rights or, where applicable, the special treatment of shareholders domiciled in countries that are exempted from the offer. Where applicable, the drawing up of a sold note, statement of income and any cash payment are handled by the Issuer Agent.

Examples of issues where Issuer Agents must be appointed:

- rights issue
- takeover bid
- purchase offer
- voluntary redemption
- reverse split in certain cases

Examples of issues where Issuer Agents do not need to be appointed:

- split
- bonus issue in certain cases
- compulsory redemption

### 4.2.2 General rules regarding some non-Swedish shareholders

For shareholders resident in certain countries, such as the USA, Japan or Canada, to be able to subscribe for shares or participate in other issues, it is incumbent on the Issuer to apply for the necessary permission from the authorities in the countries in question. If the Issuer has chosen not to apply for the requisite permission from a foreign authority, the Issuer Agent shall in such cases give special treatment to shareholders resident in those countries where such permission is required.

#### 4.2.3 Confidentiality during distribution

For reasons of confidentiality with regard, for example, to a pledge holder, a representative, etc., distribution in the event of various types of issue may not take place within the Issuer's own organisation, which is why an Issuer must engage an external distributor in such cases. However, this distributor must enter into a separate confidentiality agreement with ES.

#### 4.3 RIGHTS ISSUES

A rights issue is a way for the company to increase its share capital by injecting new capital either in the form of cash funds or other assets. ES offers three different services for a rights issue: issue with preferential rights, issue without preferential rights also known by ES as private placement, and an issue in kind.

If the Issuer has any current conversion orders (see section B 4.9), these must be adjusted by the Issuer Agent where applicable.

##### 4.3.1 Decision on rights issue

A decision on a rights issue is made by a general meeting, by the Issuer's board pursuant to authorisation by the general meeting or by the Issuer's board subject to approval by the general meeting. In the event the decision on the Issue includes the issuing of paid subscription shares (BTA), the decision, and where applicable the authorisation, must be submitted to ES together with the order for the Issue service.

In the event that the company's shares are a Listed Financial Instrument, it is possible for the board, or a person appointed internally by the board, to be given a mandate to decide, before the subscription period has begun to apply, the amount by which the company's share capital is to be increased and the amount to be paid for each new share. Where the board, or whoever is appointed internally by the board, has been given such mandate, the company shall inform ES immediately, and in any case not later than two Banking Days prior to the record date.

A decision on a rights issue must be reported by the Issuer to Bolagsverket (the Swedish Companies Registration Office) within a period of six (6) months. After registration with Bolagsverket, the Issuer then sends a change certificate to ES containing information on the increase of capital, and ES can thereafter convert the paid subscription shares (BTA) to shares (AK).

In the event that the board is able to make a decision on a rights issue, conditional on an approval at a general meeting, the record date may not be set at fewer than three (3) Banking Days after the above-mentioned general meeting. However, this is not applicable if the Issuer offers the investors an alternative sales procedure whereby it is possible for transferred subscription rights to be re-transferred to the transferor and that issued BTA's cannot be transferred in the VPC-system prior to the general meeting's approval of the board's decision of the rights issue.

#### 4.4 ISSUE WITH PREFERENTIAL RIGHTS

In an issue with preferential rights the shareholders are offered the right to subscribe for new shares for cash payment in relation to their previous holdings of shares. The shareholders receive subscription rights (TR), which entitle them to subscribe for new shares at a set price. The issue terms are usually expressed as X:Y. Holdings of Y number of old shares entitle the holder to subscribe for X number of new shares. Variations of

this could occur; for example, X subscription rights are allocated for each fraction of Y number of old shares, and Z new shares are received for each Y subscription rights.

In an issue with preferential rights for Swedish Financial Instruments other than shares, the shareholders are offered the right to subscribe for new Financial Instruments for cash payment in relation to their previous holdings of shares. The Financial Instruments that can be issued are:

- Convertibles (KV),
- Convertible participating debentures (KVB),
- Interest-bearing loans (RB),
- Subscription options (TO),
- Swedish depository receipts (SDB).

In the event of an issue of Swedish depository receipts, the Issuer must enter into a special agreement with ES concerning any additional routines for the final Financial Instrument to be posted in the owner's ES Account. The issue rights that exist are subscription rights (TRV) for Swedish Depository Receipts and unit rights (UR) for other Financial Instruments.

In the description that follows, the term 'subscription right' is used to refer to both subscription rights and unit rights. Similarly, the term 'paid subscription share' (BTA) is used synonymously with 'paid subscription unit' (BTU) where applicable, and 'unpaid subscription share' (OTA) is used synonymously with 'unpaid subscription unit' (OTU) where applicable

#### 4.4.1 Subscription

The most common method of subscription is for the shareholders to subscribe for new shares by submitting a payment. In such cases, the shareholders receive an Issue Report with a pre-printed payment slip that is used if the subscription is to be made for the whole allocation. Otherwise, the application form is used. When the payment has been registered by the Issuer Agent, the subscription rights on the ES Account are converted to paid subscription shares (BTA). If the subscription by application method is used, the shareholder sends the subscription application to the Issuer Agent, which registers unpaid subscription shares (OTA) on the ES Account. When the payment is to be made, ES sends the pre-printed payment slips to the shareholders. When the payment has been registered, the OTAs are converted to BTAs on the shareholders' ES Account.

#### 4.4.2 Subscription and handling of subscription rights

The decision on an issue must contain information as to how the subscription is to take place and how subscription rights are to be handled. If the issue terms entail the issue of excess subscription rights at allocation, the Issuer may offer a central sale via an Issuer Agent and the compensation is disbursed through ES. This, too, must be stated in the decision on the Issue.

It should be specified in the prospectus how the subscription rights are to be processed during the subscription period. Any remaining subscription rights at the end of the subscription period are deregistered. Whether consideration is to be paid for unexercised subscription rights or whether they are to expire and become void shall be decided by the general meeting and shall be stated in the prospectus.

#### 4.4.3 Reconciliation and allocation of subscription rights

On the record date, ES performs a reconciliation against the Issuer's CSD Register in order to determine who is entitled to receive subscription rights. The subscription rights included in the Issue are allocated to the ES Accounts retrieved on the record date.

ES produces the Issue Report for all ES Account Holders or, where applicable, for other rights holders. Together with the Issue Report, the Issuer sends a Prospectus and subscription form to those entitled. Where subscription by payment is concerned, there is also a payment slip that accompanies the Issue Report. If the pre-printed payment slip is used, shareholders do not need to sign a subscription form. ES sends the Issue Reports to the distributor specified by the Issuer in the issue assignment.

#### 4.4.4 Decision on allocation

When the subscription period has expired, the Issuer's board shall come to a decision on the allocation of new shares to the shareholders. Following this, the decision can then, at the request of the Issuer, be reported separately to ES. This report means that a BTA or an OTA is entered in the Register of Shareholders.

#### 4.4.5 Part-registration

According to ABL (the Swedish Companies Act), a limited company has the option during the term of the issue to request a part-registration of the rights issue at Bolagsverket (the Swedish Companies Registration Office). The registration of an increase in share capital can only be executed as regards subscribed and allocated shares that have been paid for. If the issue terms specify a minimum amount for the increase in share capital, part-registration may not take place unless the minimum amount has been subscribed for in full and paid.

In the event that the Issuer intends to part-register a rights issue, the Issuer shall consult ES in good time in order to ensure that the planned action is possible to implement both from a scheduling and a technical point of view. The Issuer and ES shall reach a separate arrangement concerning the routines to be used as well as a timetable for the implementation.

#### 4.4.6 Trading

Trading in subscription rights (TR) and paid subscription shares (BTA) may take place, but this must have been stated in the prospectus. Trading may never take place in unpaid subscription shares (OTA). Trading in Financial Instruments with a three-day settlement is outlined in the following schedule.

#### 4.4.7 Timetable in the event of issue with preferential rights

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading with shares inclusive of issue rights.
Day -2	First day for trading with shares exclusive of issue rights.
Day 0	Record date for rights issue.
Day 1	ES reconciles and approves the allocation..
Day 2	An Account Operator can carry out checks of holdings where the allocation can be seen. An Issue Report is produced by ES. A distributor envelopes the Issue Report together with a Prospectus, a subscription form and payment slip after which distribution to ES Account Holders or representatives is carried out.

#### 4.5 ISSUE WITHOUT PREFERENTIAL RIGHTS

In the case of a issue without preferential rights (referred to hereinafter as a private placement), the shareholders of the Issuer do not have the preferential right to subscription, as this right to subscribe for new shares by making a cash payment or other consideration is aimed at another target group.

##### 4.5.1 Subscription

During the subscription period for the issue, all subscriptions are handled by an Issuer Agent.

##### 4.5.2 Decision on allocation

When the subscription period has expired, the Issuer's board shall come to a decision on the allocation of new shares to the shareholders. Only when the definite allocation has been completed, is the information registered in the ES System concerning those who have received an allocation in the issue. The allocation can be entered as paid subscription shares (BTA) on the ES Accounts of those allocated.

#### 4.6 ISSUE IN KIND

An Issuer can increase its share capital by contributing other assets of benefit to the Issuer. This is known as an issue in kind. The rules pertaining to preferential rights for the previous shareholders do not apply in the case of an issue in kind. An issue in kind is thus a form of private placement.

In the event of an issue in kind in the ES System, owners of one company (referred to at ES as 'the target company') are invited to subscribe for shares in another company (referred to at ES as 'the purchasing company') in relation to their holding in the target company, and to assign their Financial Instruments in the target company as payment. Once the offer has been accepted, the Financial Instruments in the target company become what is known as 'capital contributed in kind'. If the purchasing company decides to complete the transaction, the capital contributed in kind is transferred to the purchasing company and the target company's owners receive the new share issue.

Often a number of different types of Financial Instruments are subject to the offer with respect to an issue in kind. Occasionally some of these are not registered in the ES System. For example, the target company's shares could be registered in the ES System, but not its convertibles and subscription options. Such non-ES registered Financial Instruments that are included in the offer are handled outside of ES.

In the event that new shares issued should be distributed in the VPC-system to owners of the target company, the Issuer of these must be affiliated to ES. A further agreement has to be reached with ES where the capital contributed in kind consists of ES-affiliated Financial Instruments other than shares.

Where cash settlement or existing shares are offered by the purchasing company as payment for the target company's Financial Instruments, the action is known as a takeover bid (see section B 4.7).

##### 4.6.1 Issue report

At the request of the purchasing company, ES produces an Issue Report, which ES sends to the distributor that the purchasing company has specified on the issue assignment. The Issue Report can be sent electronically or as hardcopy. If the Issue Report is ordered as hardcopy, it is distributed to the target company's shareholders by the distributor selected

by the purchasing company together with the prospectus and the subscription form. In the event the purchasing company chooses for the Issue Report to be sent electronically, it is possible to pre-print the subscription form with certain information.

#### 4.6.2 Subscription and reservation in kind

The shareholders of the target company subscribe for the offer of the purchasing company via a written application to the Issuer Agent. On the basis of this written application, the Issuer Agent makes a reservation in kind of the subscriber's Financial Instruments in the target company. This entails transferring the Financial Instruments in the target company that are deposited as payment in kind to a newly-opened ES Account (known as an 'account in kind') for the shareholder. Such a ES Account is opened automatically at the time of reservation and can only be used for Financial Instruments reserved in kind. The ES Account Holder is notified of the fact that the reservation in kind has taken place. Non-ES registered Financial Instruments are reserved by submitting them to the Issuer Agent at the time of subscription. A reservation in kind may not include Financial Instruments that are posted in cancellation or conversion accounts. (For cancellation and conversion accounts, see ES's General Terms and Conditions - Account Operations and Clearing.)

If the offer is conditional (for example, the offer is only fulfilled if a certain percentage of the voting power or share capital is attained), shareholders are entitled to withdraw their application during the subscription period.

#### 4.6.3 Trading in conjunction with an issue in kind

Financial Instruments reserved in kind are entered on an account in kind. It is not possible to register securities deposits, securities withdrawals or transfers on an account in kind.

#### 4.6.4 Decision on allocation

When the subscription period has expired and the reservation in kind has been completed, the purchasing company has to decide whether the offer is to be fulfilled or withdrawn. If the purchasing company chooses not to fulfil the purchase, the holdings reserved in kind are returned to the original accounts.

If, once the subscription and the reservation in kind have been completed, the purchasing company decides to fulfil the offer, the board of the purchasing company must determine the allocation of shares.

For part-reservation of an issue in kind, see section B 4.4.5.

### 4.7 TAKEOVER BID

A takeover bid entails that a company, the purchasing company, offers to buy shares and/or other Financial Instruments such as subscription options or convertibles in the target company. The purchasing company offers cash compensation or existing shares to the shareholders of the target company in return for the shareholders transferring their shares in the target company. A takeover bid can also be combined with a private placement in which the target company's new issue of shares may constitute capital contributed in kind. (The ES system's routines for an issue in kind are also applied in a takeover bid, see section B 4.6).

If the compensation consists solely of cash, the purchasing company does not need to be affiliated to ES as an Issuer. However, ES must have information about the purchasing company in order to be able to process the order. All ES charges for services that ES carries out in conjunction with a non-ES-affiliated company targeting an offer at

shareholders in a ES-affiliated company must be borne by the appointed Issuer Agent on behalf of the purchasing company.

The payment of cash compensation to shareholders is handled by the appointed Issuer Agent.

#### 4.7.1 Issue report

At the request of the purchasing company, ES produces an Issue Report, which ES sends to the distributor that the purchasing company has specified on the issue assignment. The Issue Report can be sent electronically or as hardcopy. If the Issue Report is ordered as hardcopy, it is distributed to the target company's shareholders by the distributor selected by the purchasing company together with the prospectus and the subscription form. In the event the purchasing company chooses for the Issue Report to be sent electronically, it is possible to pre-print the subscription form with certain information.

#### 4.7.2 Subscription and reservation

The shareholders of the target company subscribe for the offer of the purchasing company via a written application to the Issuer Agent. On the basis of this, the Issuer Agent makes a reservation in kind of the subscriber's Financial Instruments in the target company. This entails transferring the Financial Instruments in the target company that are deposited as payment to a newly-opened ES Account (an account in kind) for the shareholder. Such a ES Account is opened automatically at the time of reservation and can only be used for reserved Financial Instruments. The ES Account Holder is notified of the fact that the reservation has taken place. Financial Instruments that are kept by ES are reserved by the Issuer Agent in the ES system. A reservation may not include shares that are kept in cancellation or conversion accounts. (For cancellation and conversion accounts, see ES's General Terms and Conditions - Account Operations and Clearing.) If the offer is conditional (for example, the offer is only fulfilled if a certain percentage of the voting power or share capital is attained), shareholders are entitled to withdraw their application during the subscription period. When the subscription period has expired and the reservation has been completed, the purchasing company has to decide whether the offer is to be fulfilled or withdrawn. If the purchasing company chooses not to fulfil the purchase, the reserved holdings are returned to the original accounts.

#### 4.7.3 Trading with reserved shares

Reserved shares are posted on an account in kind. It is not possible to register securities deposits, securities withdrawals or transfers on an account in kind. If the offer is conditional, the owners of shares in the target company are entitled to withdraw their acceptance during the notification period.

#### 4.8 BONUS ISSUE

A bonus issue entails that a company raises its share capital without the shareholders contributing any new capital. The share capital is increased by writing up the company's fixed assets or by transferring taxed earnings to the share capital. A bonus issue can be made with or without the issuance of new shares.

Financial Instruments that participate in a bonus issue are shares. Subscription options, convertibles and convertible participating debentures may participate in the bonus issue if the terms concerning such Financial Instruments permit this.

#### 4.8.1 Bonus issue without affecting the quantity of shares

In the event of a bonus issue without affecting the quantity of shares, there is no change to the information kept by ES. However, the Issuer can order address details or utilise ES's message routine in order to inform the holders of the Financial Instruments about the decision concerning the bonus issue.

#### 4.8.2 Bonus issue with issuance of bonus shares

In the event of a bonus issue with new bonus shares, the number of shares in the holders' ES Accounts is increased according to the issue terms. The issue terms are described as X:Y. This means that the owner receives X number of new shares for Y of the old ones. X or Y can have a value from 1 to 999. A bonus issue in the ratio 3:1 means that the shareholder receives three (3) new shares for one (1) old one, which means that the holding after the bonus issue is four (4) shares. In a bonus issue with the ratio 2:5, this means that the shareholder receives two (2) bonus share rights for each old share. Every 5 bonus share rights are then converted automatically into one (1) new share. This means that for five (5) old shares, ten (10) bonus share rights are received, which are automatically converted to two (2) new shares.

The bonus issue can only be implemented if, for each security sort, in accordance with the issue terms, it results in a whole number of issued shares. When the allocation in the bonus issue has been calculated, depending on the issue terms, there is not always an even number of new shares for each owner. The remainder are then allocated as bonus share rights, also known as surplus bonus share rights. When the bonus share rights have been posted on each owner's ES Account, it is possible to trade with them in the same way as with shares in the ES system. When the number of bonus share rights in an account is equivalent to a quantity that is exchangeable for shares, an exchange can be made at the Account Operator at the request of the owner of the Financial Instrument.

Bonus share rights from previous bonus issues must be exchanged for shares in order to be entitled to participate in the new bonus issue. Holders must contact their Account Operator to exchange bonus share rights.

If the Issuer has any current conversion orders, these must be adjusted before the record date.

As soon as the Issuer has made a decision on a bonus issue, the Issuer shall submit a definite order to ES. Whenever a change certificate from Bolagsverket (the Swedish Companies Registration Office) is attached to the order, it becomes definite; otherwise the order is preliminary. A decision on a bonus issue must be reported without undue delay to Bolagsverket for registration and may not be executed before such registration. The share capital is increased once the registration has taken place.

#### 4.8.3 Sale of surplus bonus share rights

The company can prescribe in the decision of the general meeting that odd bonus share rights shall be sold centrally. This avoids any odd bonus share rights remaining after the bonus issue. A central sale of odd rights means that the holder of the odd bonus share rights may not trade with these, but instead receives a financial compensation for the value assigned to them. The amount is reported to the holder's income account for payment funds, or, where such account does not exist, via bank giro. The securities owner is notified of this via a securities statement. In the event that odd bonus share rights occur and a central sale is not performed, these remain in the ES Accounts until they are either exchanged as described above or are barred through the statute of limitations.

#### 4.8.4 Trading in conjunction with a bonus issue

Trading of shares inclusive of bonus shares can take place up to and including the third day prior to the record date. On the record date all trades in shares inclusive of entitlements must be completed and entered on the owners' ES Accounts.

In the case of a bonus issue, the intention is that trading should be possible during the whole implementation process.

An exception from the normal time schedule could be that ES has not received a correct change certificate from Bolagsverket (the Swedish Companies Registration Office). This could result in it not being possible to approve the allocation for registration on the record date.

#### 4.8.5 Timetable in the event of a bonus issue

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading inclusive of entitlements.
Day -2	First day for trading exclusive of entitlements.
Day 0	Record date for bonus issue. ES reconciles and approves the processing. Day 1 An Account Operator can carry out checks of holdings where the allocation can be seen. The allocation is finally posted in the evening of Day 1.
Day 2	ES produces and distributes notifications showing the allocation.

#### 4.9 CONVERSION

Convertibles (KV), subscription options (TO) and convertible participating debentures (KVB) can be converted to shares in ES's conversion service in accordance with the terms of the Financial Instrument. The conversion may be carried out over a number of years according to the terms of the Financial Instrument. Whilst the Financial Instruments are being converted, the Issuer's share capital increases. The increase is applied for at Bolagsverket (the Swedish Companies Registration Office). In the event that an Issuer has acquired a convertible issued by the Issuer, this is no longer valid. The Issuer is therefore obliged to transfer the acquired convertible to ES for cancellation.

##### 4.9.1 Appointment of Issuer Agent

The Issuer must engage an Issuer Agent to handle the conversion. If two different Issuer Agents are each responsible for a Financial Instrument that can be converted to shares, the Issuer must ensure that the reporting to Bolagsverket (the Swedish Companies Registration Office) of increased capital is performed jointly. The change in share capital must be registered at Bolagsverket before the new shares are posted in accounts.

##### 4.9.2 Conversion process

At the request of the Issuer, the Issuer Agent shall register the terms for conversion for one calendar year at a time. This must be done before the beginning of the year. The terms of the conversion specify the Financial Instrument to which the conversion is to take place. In addition, the terms state when it is permitted to convert and when any conversion halt will occur, i.e. when conversion is not possible. The Issuer shall commission the Issuer Agent to ensure that conversion takes place in accordance with the terms.

A registration of the requested conversions in the ES System means that interim shares are deposited in the ES Accounts of the owners in exchange for the convertible Financial Instrument. Interim shares are entered in the Register of Shareholders and entitle the owner to exercise the right of a shareholder. At conversion, the designation 'interim

share' is used for several different convertible Financial Instruments. The new shares can be entered in the Register of Shareholders when Bolagsverket (the Swedish Companies Registration Office) has registered the increase in capital and ES has received such an assignment from the Issuer Agent. At the same time, the interim shares are withdrawn from the Register of Shareholders.

#### 4.9.3 Conversion in conjunction with compulsory redemption

In the event that a compulsory redemption procedure is called for during the term for a convertible or subscription option, this could in certain cases mean that the conversion must be stopped until the time when the redemption dispute has been settled by a verdict of law or a decision that has gained legal force. Should a Debt instrument become due for final payment, or should the final day for subscription for a subscription option occur during this period, the holder of a convertible or a subscription option shall nevertheless be entitled to request conversion up to three months from the date of a verdict or a decision that has gained legal force. It is the obligation of the Issuer to inform ES and the Issuer Agent immediately of the fact that a call for compulsory redemption covering convertibles or subscription options has occurred. In addition, the Issuer shall inform ES, where applicable, of the terms that are to apply for an extension of the terms for the Debt instrument, in good time before the Debt instrument falls due for final payment. The Issuer Agent is responsible for the conversion calendar being adjusted to the extent required.

The processing of a conversion assignment varies somewhat depending on the type of Financial Instrument to be converted.

#### 4.9.4 Registering an increase in share capital

It is preferable to let the conversion terms govern the choice of when to report the increase of share capital. The report should preferably be made when the time for conversion to one interim share sort has passed and during the period when the conversion to another is under way.

An example of this is when an interim share with a restriction on dividend (such as IA B U) is posted in an account over a certain period of time. When this period is over, and in conjunction with a dividend from the Issuer, a new type of interim share without restriction will be posted at conversion (such as IA B).

During this period, when interim shares without restriction are being posted, the report on the increase in capital should be produced and shares posted for those interim shares that have a restriction on them (IA B U).

When the conversion terms subsequently allow interim shares without dividend restriction (IA B) to be posted, the report on the increase in share capital should be produced and shares posted for the interim shares that do not have any restriction.

This pattern facilitates the reporting, since the ES System can then directly show the size of the capital to be reported. If the report is made at other points in time, special data processing at ES is required in order to ascertain the size of the increase in share capital. A conversion halt does not need to be set, however, even if the report on increase in capital takes place at times other than those recommended above.

#### 4.9.5 Conversion in conjunction with a bonus issue or split

A decision at a general meeting with regard to a bonus issue or a split is based on the share capital according to the general meeting register of shareholders at the time of the

decision. A registration of new share capital is performed by Bolagsverket (the Swedish Companies Registration Office) according to the Issuer's decision, despite the fact that the record date for the change in share capital has been determined for a later date (the spring meeting, for example, could pass a decision on bonus issues and splits to be executed with a record date in the autumn). In the terms that apply to convertibles and subscription options, it should be stated how and at what rate the conversion and subscription can take place during the period between the record date for the general meeting register of shareholders and the record date for the implementation of the split or bonus issue. The terms should also state that anyone who converts or subscribes for an option is entitled to be included immediately in the Register of Shareholders.

In those cases where the Issuer decides on a bonus issue or a split during a period when convertibles/subscription options have been issued, ES does not enter the owners in the Register of Shareholders according to the terms for the convertibles/subscription options until the split/bonus issue has been implemented. However, for a conversion between a general meeting date and the record date for a split/bonus issue to be permitted, the conversion assignment is processed as follows:

- conversion and subscription take place at the same rate as previously, up to the time of the record date for the issue or the split,
- in the case of a split, the interim share participates and is split according to the same calculation as other shares at the Issuer, and
- in the case of a bonus issue, interim shares do not participate, but the Issuer Agent has to compensate the interim share owners after the record date with additional interim shares in compensation for a bonus issue. These interim shares are issued via ES's routine for a private placement that the Issuer Agent orders from ES.

#### 4.9.6 Compensation for surplus amount

After conversion, a proportion of the nominal amount of the convertible Financial Instrument may be left in the ES Account. The surplus amount may remain in the ES Account until the Debt instrument falls due for final payment or the Issuer may come to an agreement with the Issuer Agent to pay back the surplus amount to the owner. The Issuer's payment of cash compensation takes place entirely outside of the ES System.

If the Issuer Agent is to transfer the surplus amount to its own ES Account, a disposition power of attorney for the Issuer Agent must be registered on the account. Failing this, only the Account Operator that has disposal of the account may make the transfer.

#### 4.9.7 Trading in conjunction with conversion

A registration halt regarding trades of interim shares in the ES System is set in conjunction with the posting of new shares. The final settlement date for securities trades is the Banking Day on which the retrieval of holdings of interim shares takes place.

However, conversion may continue during the whole of the conversion period. If the Issuer has already had the increase in capital registered in advance at Bolagsverket, the new shares will be registered two (2) Banking Days after the retrieval referred to above. When this has occurred, the registering of trades with interim shares becomes possible once again.

Where the number of interim shares is not known, separate data processing is needed at ES in order to ascertain the increase in share capital. The data processing results in a registration halt of trades with interim shares until ES has received the new registration

certificate. In such cases the new shares will be posted two (2) Banking Days after ES has received the registration certificate. When this has occurred, the registering of trades with interim shares becomes possible once again.

#### 4.10 REDUCTION IN SHARE CAPITAL AND THE STATUTORY RESERVE

The share capital in a limited company may be reduced for certain purposes as specified in ABL (the Swedish Companies Act). A reduction can be made without changing the articles of association in those cases where the articles of association have stated a maximum and a minimum limit for the share capital and the reduction does not go below the minimum limit given in the articles of association. In those cases where the articles of association specify a fixed amount for the share capital, a change must always be made in the articles of association. A reduction of the share capital always requires a decision by the general meeting unless a redemption restriction is prescribed in the articles of association.

A reduction of share capital can be performed with or without a recall of shares, and with or without repayment to the shareholders. With regard to a reduction with repayment to the shareholders, irrespective of whether this is to be performed with or without the recall of shares, ES does not undertake to disburse dividend other than cash in Swedish currency unless a special agreement on the processing thereof has been entered into with the Issuer.

A decision concerning reduction made by a general meeting, or in some cases by the board, shall include the information prescribed in ABL and shall be communicated to ES.

##### 4.10.1 Reduction of share capital without a recall of shares with repayment

In the event that the Issuer plans to carry out a reduction of share capital without a recall of shares with repayment, the Issuer shall consult ES in good time in order to ensure that the planned action is possible to implement both from a scheduling and a technical point of view. The Issuer and ES shall reach a separate arrangement concerning the routines to be used as well as a timetable for the implementation.

In addition to the information prescribed in ABL, the assignment order sent to ES for the practical processing shall include a record date for the authorisation of repayment to the shareholders. Such a record date may not occur before the reduction has been registered at Bolagsverket (the Swedish Companies Registration Office).

##### 4.10.2 Voluntary recall of shares with repayment

A voluntary recall of shares with repayment (referred to below as voluntary redemption), entails a reduction of share capital where the individual shareholder is given the opportunity of accepting an offer of voluntary redemption. In the event that the Issuer's shares are a Listed Financial Instrument and the board has been authorised to determine the record date for authorising participation in the offer, for example, the Issuer shall inform ES immediately after the board has passed the decision, although not later than two (2) Banking Days before the record date.

The Issuer must appoint an Issuer Agent to handle the voluntary redemption. The Issuer Agent orders a securities credit where each share gives entitlement to a special right (SR). In conjunction with voluntary redemption, the SR is known as a 'redemption right'. The Issuer Agent sends a subscription form to each shareholder concerned, with an offer of voluntary redemption. The reservation of shares and/or utilised redemption rights is performed by the Issuer Agent. In practice this is carried out by transferring the shares to

be redeemed according to the application and the utilised redemption rights from the shareholder's ES Account to a blocked account in the ES Account holder's name.

The Issuer sends a decision on reduction for registration with Bolagsverket (the Swedish Companies Registration Office). Bolagsverket registers the decision and changes the quantity of shares preliminarily. In certain cases it is necessary for the Issuer to apply for permission from Bolagsverket or, in the case of a dispute, for a court of general jurisdiction to reach a decision on the reduction in share capital.

The Issuer Agent shall then exchange the quantity of redemption rights and shares for the number of redemption shares (AK IL) to which the decision at the general meeting has given entitlement. The Issuer Agent calculates the number of shares that are reserved for redemption replaced with redemption shares, and notifies the Issuer to this effect.

A definite order regarding reduction and repayment must be submitted to ES immediately after Bolagsverket's final registration. In addition to the information specified in ABL, the assignment order sent to ES, for ES's practical management, must include a record date when the reduction of the share capital through the recall of shares is to take place. This record date may not occur before the reduction has been registered and implemented at Bolagsverket (the Swedish Companies Registration Office) in accordance with ABL.

ES reduces the share capital on the record date for reduction by means of the redemption shares being deregistered, and the compensation can be paid three (3) Banking Days thereafter.

#### 4.10.3 Compulsory recall of shares

A compulsory recall of shares refers to a reduction of share capital that is to be carried out without individual shareholders being given a special opportunity to accept an offer of recall. A decision on reduction must be registered at Bolagsverket in the same way as described above regarding the voluntary recall of shares. A compulsory recall of shares can be performed with or without repayment. Compulsory recall of shares with repayment is also referred to as compulsory redemption.

In addition to the information specified in ABL, the assignment order sent to ES, for ES's practical management, includes a record date when the reduction of the share capital through the compulsory recall of shares is to take place. This record date may not occur before the reduction has been registered at and implemented at Bolagsverket (the Swedish Companies Registration Office) in accordance with ABL.

#### 4.10.4 Reduction of the statutory reserve

In the event an Issuer intends to implement a reduction of the statutory reserve for repayment to shareholders, and the Issuer requests an assignment on behalf of ES to distribute the repayment, the Issuer must consult with ES at an early stage to ensure that the intended action is possible to implement both from a practical and a technical point of view. The Issuer and ES shall reach a separate arrangement concerning the routines to be used as well as a timetable for the implementation.

ES does not undertake to disburse repayment other than cash in Swedish currency unless a special agreement on the processing thereof has been entered into with the Issuer.

In addition to the information specified in ABL, the decision of the general meeting shall, for ES's practical handling, include a record date for the authorisation of repayment. The record date may not occur before Bolagsverket or, in the case of a dispute, a court of

general jurisdiction gives permission for the reduction. Neither may the record date occur before a definite assignment regarding the reduction of the statutory reserve with repayment to the shareholders can be supplied to ES.

#### 4.11 SPLIT – DIVISION OF SHARES AND CHANGE OF SECURITY SORT

An Issuer can increase the number of shares without increasing the share capital. This is known as a split and entails dividing a share into two or more shares. ES can assist in the following:

- a pure split,
- a split with exchange, and
- a change of security sort, shares.

Before a split can be implemented, the articles of association may have to be amended. A decision on such change is made by the general meeting, after which the change must be reported and registered at Bolagsverket (the Swedish Companies Registration Office). If the Issuer has any current conversion orders, these must be adjusted by the Issuer Agent before the split's record date.

As soon as the Issuer has made a decision on the split, the Issuer shall submit an order to ES. Whenever a change certificate from Bolagsverket is attached to the order, it becomes definite; otherwise the order is preliminary. A copy of the change certificate from Bolagsverket must have reached ES no later than three days prior to the record date.

The following Financial Instruments may be included in a pure split:

- shares (all the Issuer's sorts of shares),
- bonus share rights,
- interim shares, and
- Swedish depository receipts.

Interest-bearing Financial Instruments can also participate in the routine 'change of security sort'. A convertible participating debenture (KVB), which is a unit security, may participate in a split, although the terms for a KVB usually state that the price is to be recalculated instead. The Issuer's remaining convertibles, other interest-bearing Financial Instruments and options are adapted by recalculating conversion, purchase and subscription prices.

In the description of the split routine below all Financial Instruments are referred to as shares as long as the context does not require the Financial Instrument to be specified in more detail.

##### 4.11.1 Pure split

A decision regarding a pure split (referred to in ABL as a division of shares) is taken at a general meeting. In the event that the terms result in surplus shares, ABL stipulates that consent must be granted by the affected shareholders in some cases. The most common type of split, a pure split, is when all sorts of shares, as well as interim shares and bonus share rights, participate in the split, and the terms state that a Financial Instrument of a particular sort produces a given quantity of new Financial Instruments of the same sort and with the same ISIN.

The split terms for a pure split are expressed as X:Y. X or Y can have a value from 1 to 999. A split in the ratio 3:1 means that the shareholder receives two new shares for one old one, which means that the holding after the split is three shares. The exchange does

not alter the shareholder's total proportion of the share capital, since the individual proportion of the share capital is reduced by the same amount that the number of shares increases.

A pure split, in contrast to other types of split, may be combined with a bonus issue by the issuance of bonus shares. The split is performed first, followed by a bonus issue of the split quantity. A rights issue could also be performed with the same record date. The split and the rights issue do not, however, take place in combination with each other; the two actions are carried out completely separately with the same register position as the starting point.

#### 4.11.2 Split with exchange

A decision regarding a split with exchange (referred to in ABL as a division of shares) is taken at a general meeting. In the event that the terms result in surplus shares, ABL stipulates that consent must be granted by the affected shareholders in some cases. Provided that the articles of association permit it, an Issuer can perform a split by means of which one share of a given share sort is exchanged, wholly or partly, for a share or shares of another sort or sorts. This type of split is called a 'split with exchange'. The same share sorts, including interim shares, have to take part in the split. The processing of any posted bonus share rights is determined from case to case.

The terms of a split are expressed as Z:1, where  $Z=(1+X+Y)$ . In a split with exchange with the ratio 3:1, the shareholder receives one A share (X) and one B share (Y) for one old A share. Before the split can be performed, ES must have registered all new security sorts in the ES System.

Other issues can, however, be carried out with the same Issuer and with the same record date. In such cases, other issues are carried out separately with the same register position as the starting point.

If the terms prescribe that a share sort is to disappear completely, the Financial Instrument is barred from registering trades with a settlement date after the record date.

#### 4.11.3 Change of security sort

Based on a decision of the general meeting, an Issuer can change all shares of one sort for shares of another sort. This is called a 'change of security sort'. The terms for an exchange of security sort are always 1:1. If there are any bonus share rights in the old share sort, there must also be bonus share rights in the new sort.

#### 4.11.4 Trading during an ongoing split

On the record date, all trades in non-split shares must be completed and posted finally on the owners' ES Accounts. The intention of a split is that trading should be possible during the whole implementation process.

An exception to the normal time schedule could be that ES has not received a correct change certificate from Bolagsverket (the Swedish Companies Registration Office). This could result in it not being possible to approve the allocation for registration on the record date.

#### 4.11.5 Timetable in the event of a split

<u>DAY</u>	<u>EVENT</u>
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Day -3	Final day for trades with non-split shares.
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Day -2	First day for trades with split shares.
Day 0	Record date for the split. ES reconciles and approves the processing of the split.
Day 1	An Account Operator can carry out checks of holdings where the allocation can be seen. The allocation is finally posted in the evening of the same day.
Day 2	ES produces and distributes notifications showing the allocation.

#### 4.11.6 Timetable in the event of split with exchange

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading with old Financial Instrument.
Day -2	First day for trading with new Financial Instrument.
Day 0	Record date.
Day 1	New Financial Instrument is registered on the owners' ES Accounts and shares are entered in the Register of Shareholders.
Day 2	ES produces and distributes notifications.

#### 4.12 REVERSE SPLIT

A reverse split means that, when exchanging all their old shares, the shareholders are allocated a smaller quantity of the new shares. A decision to conduct a reverse split is taken by the general meeting. If there are any unexercised bonus shares or coupon shares in the company, these are dealt with according to an arrangement between the company and ES, and in certain cases with the Issuer Agent. ES cannot process a reverse split if, on the record date, there are posted bonus share rights derived from earlier bonus issues.

The ratio for a reverse split is expressed as Y:X, where Y normally assumes the value 1, although it can assume values between 1-998. X can assume values between 2-999.

As mentioned above, a reverse split entails that the number of shares is to be reduced. This reduction takes place on the condition that Y number of shares remain after the reverse split for every X number of shares on the record date. The terms must include information as to whether the calculation of the number of shares that each shareholder is to own after the reverse split is to be rounded up or down.

The ratio 1:10 means that, on the condition that the figure is to be rounded up, each commenced group of 10 shares on the record date results in one (1) share after the reverse split. Where the figure is to be rounded down, the same ratio means that each complete group of 10 shares on the record date results in one (1) share after the reverse split.

If the decision regarding a reverse split means that rounding down is to be applied, the surplus shares must be transferred into the company's ownership and then sold, if possible. The incoming payment must then, after any deductions for sales costs, be distributed by those covered by the rounding down process. The sale must be handled by an Issuer Agent. ABL also stipulates that the consent of the affected shareholders must be obtained in some cases when rounding down.

If the terms of the reverse split instead stipulate that rounding up is to take place, it is necessary for a shareholder to put up the shares (guarantee shares) that will be required to even out individual holdings that are not evenly divisible by the value assigned to X. The Issuer must ensure that the number of shares (guarantee shares) that are required to implement the allocation in accordance with the terms of the reverse split are available in the ES Account specified by ES no later than 3 pm (15.00) on the Banking Day prior to the record date for the reverse split. ES-registered shareholders are automatically allocated new shares. Where nominee-registered shareholders are concerned, the

Nominee reports to ES in the event of rounding up the quantity of extra shares their customers are entitled to.

#### 4.12.1 Timetable in the event of a reverse split

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trades with old shares.
Day -2	Trades with the reverse split shares may begin.
Day 0	Record date for the reverse split. ES reconciles and approves the processing.
Day 1	The reverse split shares are recorded in the Register of Shareholders.
Day 2	ES produces and distributes notifications.

#### 4.13 PURCHASE OFFER

A purchase offer means that the shareholders in a limited company (referred to by ES as the Parent Company) are invited to purchase shares, or other Financial Instruments, in another company (referred to below as the Subsidiary). A purchase offer can only relate to existing shares or other Financial Instruments in the Subsidiary. The owners of the Parent Company are allocated purchase rights in relation to their holdings in the Parent Company.

In the ES System, a purchase offer results in the purchase rights being deposited in the ES Accounts in relation to the holdings of the Financial Instruments included in the purchase offer. Those purchase rights that are exercised are later replaced by the purchased Financial Instruments.

##### 4.13.1 Preparations at the Parent Company

An Issuer Agent shall always be engaged for registering the purchase applications, managing the payments for the purchased securities and other services that the Parent Company and the Issuer Agent have agreed upon.

Where applicable the Parent Company designs the prospectus describing the offer. It should be stated in the prospectus whether unexercised purchase rights will be cleared from the ES Accounts at the end of the application period.

The purchase rights can be handled in different ways and it should be made clear in the prospectus which of these is to be applied, such as whether a central sale of the surplus purchase rights at allocation is to take place, and whether compensation is to be paid for unexercised purchase rights.

When the application period is concluded, the remaining purchase rights may be handled in two ways:

- all remaining rights are deregistered without compensation, or
- remaining rights are disposed of by the Issuer Agent and the holders receive compensation via ES for their rights.

If the Parent Company has issued any convertible Financial Instruments where conversion is in progress, the Issuer Agent responsible must be contacted to handle this.

##### 4.13.2 Decision

A decision on the purchase offer is made at a general meeting at the Parent Company. The Parent Company can pass a decision to the effect that unexercised purchase rights

may be sold centrally by the Issuer Agent and that the holders receive compensation via ES for their purchase rights.

#### 4.13.3 Trading in conjunction with a purchase offer

Trading with Financial Instruments during an ongoing period for the purchase offer may be described according to the timetable shown below.

#### 4.13.4 Allocation

When the holders of purchase rights have paid for the Financial Instruments, the Issuer Agent registers the acquisitions in the ES System, whereby the purchase rights are exchanged for the purchased Financial Instruments. The Issuer Agent thus handles both the purchase application and the payment for the purchased Financial Instruments before registration takes place at ES.

#### 4.13.5 Timetable in the event of a purchase offer

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading with Financial Instruments inclusive of purchase rights.
Day -2	First day for trading exclusive of purchase rights.
Day 0	Record date for the purchase offer.
Day 1	ES reconciles and approves the allocation.
Day 2	An Account Operator can carry out checks of holdings where the allocation can be seen. ES produces an Issue Report. A distributor envelopes the Issue Report together with a Prospectus and a subscription form after which distribution to ES Account Holder or representative is carried out. The final allocation is registered in the evening of the same day, with Day 2 as settlement date.
Day 3	ES produces and distributes notifications provided that the Issuer has chosen to notify this.

### 4.14 DEMERGER AND SECURITIES DIVIDEND

#### 4.14.1 Demerger

A demerger is performed by the transferor company handing over all its assets and liabilities to two or more other companies, whereby the transferor company is dissolved without liquidation (referred to below as a 'full demerger'), or by a proportion of the transferor company's assets and liabilities being taken over by one or more other companies without being dissolved (referred to below as a 'partial demerger'). The description below applies to a full demerger. In the event that an Issuer wishes to perform a partial demerger, ES must be contacted in good time for an agreement as to whether such demerger can be performed with ES's participation.

The transferee companies offer the shareholders of the transferor company either a cash compensation, existing shares in the transferor companies, or a combination of both. ES's demerger service presupposes that participating shares are affiliated to ES. If the compensation consists of cash only, the transferee companies do not need to be affiliated to ES as Issuers. However, ES must be given information about the transferor company in order to be able to process the order. For ES to initiate an assignment from a non-affiliated company, the transferor company shall give approved guarantees to ES or similar equivalent commitment with respect to ES's fees.

#### 4.14.2 Demerger plan

Once Bolagsverket (the Swedish Companies Registration Office) has given its permission to implement the demerger plan, the boards of the transferee companies must jointly

report the demerger for registration at Bolagsverket. ES must be informed in good time to be able to adapt the implementation of the demerger to Bolagsverket's registration.

#### 4.14.3 Securities dividend

Provided that certain conditions are met according to ABL, a general meeting may pass a decision to execute a dividend in kind of one or more subsidiary companies. The shareholders thus receive shares in one or more companies in relation to their shareholding. ES's demerger service presupposes that participating shares are affiliated to ES.

A definite order regarding the securities dividend must be sent to ES, although not later than two (2) days prior to the record date.

##### 4.14.3.1 Taxation consequences in the event of a securities dividend

In addition to that which applies generally according to these Rules regarding contact and consultation with ES, the Issuer must contact ES at an early stage to discuss the taxation consequences of the implementation. This applies primarily to basic management concerning those liable to coupon tax. If the Issuer has received preliminary decision from SKV (the Swedish National Tax Board) or a letter to the effect that the intended procedure is tax-exempt, this must be made known to ES.

The Issuer undertakes, in accordance with the Rules, section A 3.7, to indemnify ES and to compensate ES for any expense or cost that ES might incur in the event that SKV should, during final processing of the tax question, find that the preconditions for a tax-exempt dividend have not been fulfilled. The Issuer may send information to those entitled to dividend, by utilising ES's message routine, section B 2.7.

##### 4.14.3.2 Timetable in the event of a securities dividend

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading inclusive of entitlement
Day -2	First day for trading exclusive of entitlement.
Day 0	Record date.
Day 1	ES reconciles and approves the processing.
Day 2	An Account Operator can carry out checks of holdings where the allocation can be seen. The new shares are recorded in the ES Accounts in the evening of Day 2.
Day 3	ES produces and distributes notifications showing the allocation.

#### 4.15 COMPULSORY REDEMPTION – BUY-OUT OF MINORITY SHAREHOLDERS

If a limited company (known at ES as the acquiring company) has acquired more than 90% of the shares in another company (known at ES as the target company), the acquiring company is legally entitled to redeem the remaining shares in the target company. The acquiring company is also entitled to any coupon shares and bonus share rights in the target company. Reciprocity exists in that the minority shareholders can demand that the acquiring company redeem their shares. ABL specifies rules for the redemption of convertibles and subscription options.

ES's routines for the handling of compulsory redemption are based in part on all remaining shares being redeemed at the same point in time. If this is not the case, such as where a court judgement or a decision on the matter of redemption has not gained legal force with respect to all shareholders, ES cannot undertake to process the redemption. The acquiring company or the minority shareholders may have the issue of advance

vesting of title and redemption amount brought before a court of arbitration. Following a decision on advance vesting of title, the minority shareholders' shares are deregistered and deposited in the ES Account of the acquiring company.

#### 4.15.1 Preparations at the acquiring company

The following documents must be attached to the assignment order sent to ES:

- a copy of the decision/resolution concerning the compulsory redemption, and
- a copy of the document showing that a guarantee has been given for the redemption amount.

#### 4.15.2 Compulsory redemption with advance vesting of title

As the time between the bringing of a case concerning compulsory redemption and a final verdict on the redemption amount may be lengthy, the acquiring company may request that the shares be registered in its name, at the same time as a special right is registered on the ES Accounts of the minority shareholders. This entitlement corresponds to the value of one share in the target company and at ES is known as 'right to redemption amount for a compulsory redeemed share', abbreviated to TIA. A holding of bonus share rights does not give entitlement to a TIA, but on the other hand it does give entitlement to a portion of the redemption amount.

This routine means e.g. that the value of the pledge remains with the pledge holder until the redemption amount has been paid out, and that the right can cover trading.

If a separate award of an incontestable amount has been decreed, and a decision on advance vesting of title has gained legal force, or alternatively if the arbitration court has stipulated that the award shall be effective even though it has not gained legal force, ES makes a payment, at the request of the acquiring company, corresponding to the amount reported. When the final arbitration award on the redemption amount has been made known, ES makes a final payment, where applicable and at the request of the acquiring company, of the redemption amount to holders of TIA. At the same time, this holding is deregistered from the ES Accounts concerned.

#### 4.15.3 Compulsory redemption without vesting of title

If the redemption amount has been determined in arbitration, the acquiring company can ask ES to pay the redemption amount to the minority shareholders at the same time as the deregistration of the shares takes place.

### 4.16 MERGER

A merger may be performed, either by two or more transferor companies creating a new, transferee company (combination), or by one transferor company being taken over by a transferee company (absorption). The description below applies only to a merger by absorption. In the event of an Issuer wishing to conduct a merger by combination, the Issuer shall consult ES in good time in order to ensure that the planned action is possible to implement both from a scheduling and a technical point of view.

The transferee company offers the transferor company's shareholders cash compensation (merger compensation) for their shares in the transferor company. ES's merger service presupposes that participating shares are affiliated to ES. If the transferee company's compensation to the transferor company's owners is to consist of a new issue of shares, a decision must be made on an issue in kind according to ABL, and, where appropriate, implemented according to ES's routines for the issuance of such shares. A precondition

for merger compensation in the form of shares to be able to be distributed by ES is that the exchange ratio is set at X:Y, where both X and Y are assigned whole numbers with a value between 1-999.

If the compensation consists of cash only, the transferee companies do not need to be affiliated to ES as Issuers. However, ES must be given information about the transferee company in order to be able to process the order. For ES to initiate an assignment from a non-affiliated company, the transferee company shall give approved guarantees to ES or similar equivalent commitment with respect to ES's fees.

#### 4.16.1 Implementation of the merger plan

Once Bolagsverket (the Swedish Companies Registration Office), or where applicable a court of general jurisdiction, has given its permission to execute the merger plan, the board of the transferee company must report the merger for registration at Bolagsverket. ES must be informed in good time to be able to adapt the implementation of the merger to Bolagsverket's registration. In addition to the information specified in ABL, the assignment order sent to ES, for ES's practical management, must include a record date for the merger. The record date may not occur before the merger has been registered and implemented at Bolagsverket (the Swedish Companies Registration Office) in accordance with ABL.

### 4.17 OTHER SERVICES – SWEDISH FINANCIAL INSTRUMENTS

#### 4.17.1 Pre-emptive rights

Restrictions on pre-emptive rights to the Issuer's shares are registered in the ES System where applicable. Shares with restrictions on pre-emptive rights can only be registered in the ES System directly for the shareholder in an 'owner account'. They cannot be registered under an authorised Nominee "on behalf of the owner". When a registration of an acquisition of pre-emptive rights shares is performed in the ES System, a temporary 'pre-emptive rights account' is opened for the acquirer. The acquirer is advised of the deposit of shares in the temporary 'pre-emptive rights account'. A letter is created to the Issuer's board with regard to the transfer of the pre-emptive rights shares to a new owner. The letter contains information about the acquirer, the number of shares and the acquisition date, as well as two alternative reply forms, one of which the Issuer has to return to ES:

- confirmation that the new owner has been approved,
- request for reregistration to a person entitled to redemption.

It is possible for the Issuer to specify in its articles of association that the purchaser or the seller of shares with restrictions on pre-emptive rights is to have voting rights for the shares during the pre-emptive rights period. In the event that the Issuer's articles of association do not contain such information, this entails that nobody has voting rights for the shares during the pre-emptive rights period.

In the Issuer's Register of Shareholders a record is entered of the total number of shares that are under pre-emptive rights review. In cases where the voting rights for the shares during the pre-emptive rights period are conveyed to the buyer or the seller, the total record is supplemented with a special note concerning the voting rights.

#### 4.17.2 Conversion

A conversion is conducted when a holding of one type is to be converted into Financial Instruments of another type, such as when a holder's A shares are to be converted to B shares. A conversion could also be necessary, for example before a bonus issue, so that the issue terms result in a whole number of shares.

The conversion routine is used for individual holdings. Where the conversion is to be carried out for all holdings, the 'exchange of security sort' routine is used instead. The following Financial Instruments may be included in the conversion service:

- shares,
- Debt instruments,
- interim shares,
- convertible participating debentures, and
- Swedish depository receipts.

##### 4.17.2.1 Preparations at the Issuer

The Issuer must appoint an Issuer Agent, which must handle the transfer of all Financial Instruments to be converted. A written order of conversion must be submitted to ES. The order should specify:

- which Financial Instruments are to be converted,
- which sorts they are to be converted to,
- which ES Accounts the converted Financial Instruments are to be transferred to after the conversion, and
- the time for the implementation.

If the conversion concerns shares, a registration certificate detailing the conversion shall be attached to the order. Otherwise, the Issuer must specify in the order the total amount/quantity after the conversion.

In addition, all Financial Instruments covered by the conversion shall be transferred by the Issuer Agent to a special ES Account specified by ES. After this, ES carries out the conversion and returns the securities to the Issuer Agent to be forwarded to the holders of the Financial Instruments.

#### 4.17.3 Limitation of shares

A limited company may decide on limitation in accordance with the provisions in ABL. The procedure is initiated by a public announcement made in Post- och Inrikes Tidningar as well as in the local newspaper(s) determined by the Issuer. The sale date may occur at the earliest one year after the announcement has been made public. The share entitlement then becomes a claim for compensation. The shares that are affected by the limitation procedure are sold by the securities institution that the Issuer has specified on the order to ES.

The limitation procedure of shares may be initiated at the earliest five (5) years after the company has become a CSD-registered company. As regards the limitation of shares deriving from a bonus issue, on the other hand, such limitation may be initiated at the earliest five (5) years after the decision on the issue has been registered at Bolagsverket (the Swedish Companies Registration Office).

After the sale, the compensation is calculated for each limited share and is paid to those holders that subsequently submit their share certificate to an Account Operator or otherwise verify their entitlement.

The claim regarding compensation attributable to the limitation of shares is barred through the statute of limitations in accordance with general regulations on limitation, i.e. at the earliest ten (10) years following the sale. This means that it takes at least sixteen years from the time when the company has become a CSD-registered company until the share entitlement/claim entitlement is barred through the statute of limitations.

The claim regarding compensation attributable to the limitation of shares deriving from bonus issues is barred through the statute of limitations from four (4) years after the sale. This means that it takes at least ten (10) years from the time when the decision on the issue is registered.

## B 5. SERVICES, NON-SWEDISH SHARES

### 5.1 GENERAL

Provided the formal conditions are satisfied, ES undertakes, at the request of the Issuer or of holders of shares that are not ES-registered, to register additional shares issued by the Issuer in the ES System. These shares will then be treated as ES-registered shares. Provided the formal conditions are satisfied, ES also undertakes, at the request of the Issuer or of holders of ES-registered shares, to deregister ES-registered shares from the ES system. Routines concerning the transfer of shares to and from ES must be agreed separately in the Affiliation Agreement.

### 5.2 CORPORATE ACTIONS

#### 5.2.1 General

With due regard to the Issuer's entitlement and regulations in the Issuer's articles of association, and with regard to what is practically feasible and reasonable, the Issuer, in consultation with ES, shall decide on which dates are to apply for establishing who is to be deemed authorised to e.g. participate in corporate actions, receive dividends and other entitlements falling due to ES-registered shares, and to obtain corporate information etc.

After consultation with ES, the Issuer shall notify holders of ES-registered shares about the special treatment of these that may be necessary with regard to the time of registration to the general meeting, the time for the payment of dividends, the currency in which holders of ES-registered shares receive dividends and other similar matters, if such special treatment is required due to technical, legal, practical or other reasons. The Issuer is responsible for the formulation and provision of forms and information material that may be necessary in order for holders of ES-registered shares to be able to participate in and/or exercise voting rights at a general meeting or, with regard to tax matters, concerning dividends from the Issuer.

ES undertakes not to utilise any formal rights that may follow from the Issuer's articles of association or applicable entitlements in the Issuer's country of domicile for shares that are registered in the Issuer's CSD Register to a greater extent than that which is required in order to fulfil its obligations in accordance with the Affiliation Agreement and these Rules.

#### 5.2.2 General meeting

In conjunction with the Issuer holding a general meeting, ES undertakes to observe routines and to implement measures pursuant to the Affiliation Agreement in order to make it possible for holders of ES-registered shares to participate in and exercise their voting rights at a general meeting.

#### 5.2.3 Dividend

ES undertakes to observe special routines and to implement measures to determine who is entitled to a cash dividend and for distributing cash dividends. Such routines and measures can be seen from the Affiliation Agreement.

In order for ES to undertake to distribute dividends in forms other than cash dividend as described above, a separate agreement is required between ES and the Issuer. A precondition for such an agreement is that the issuer contacts ES in good time and provides the required information regarding the planned dividend.

#### 5.2.4 Other actions

ES undertakes, by special agreement with the Issuer in each individual case, to carry out other measures within ES's area of operations than those indicated above, such as bonus issues, rights issues, splits and reverse splits. This undertaking applies on the condition that, in ES's judgement, it is technically feasible to register the new shares in the ES System or to make changes to the shares' nominal amounts, and that such measures can lawfully be carried out in Sweden.

#### 5.3 TAXES

In most cases ES cannot undertake to withhold or to report non-Swedish tax. See also section A 6 concerning Swedish tax, and ES's General Terms and Conditions – Account Operations and Clearing, sections B 8.4 and B 8.5, concerning the processing of non-Swedish PAYE tax.

# B 6. SERVICES FOR FINANCIAL INSTRUMENTS OTHER THAN SHARES

## 6.1 GENERAL

Before the Issue of a Financial Instrument can take place, the Issuer and the Financial Instrument must be affiliated to ES. The following section regulates the affiliation and Issue of Financial Instruments other than shares. For regulations concerning payment, see section B 3. In the case of an Issue of Financial Instruments other than shares, a special target group is offered the entitlement to subscribe for these Financial Instruments against cash payment.

The Issuer Agent also handles distribution of Financial Instruments to subscribers after ES has implemented the initial account-keeping. For regulations concerning issue assignments, refer to section B 1.

## 6.2 AFFILIATION OF FINANCIAL INSTRUMENTS

The Issuer is responsible for submitting assignments regarding the affiliation of Financial Instruments to ES in accordance with the routines applicable at the time and through the use of ES's forms applicable at the time, which are available on ES's website. In the event a decision on the Issue of Financial Instruments is taken at the general meeting, the decision must be notified to ES.

The Financial Instruments other than shares that can be affiliated are known in the ES system as:

- Equity-linked bonds (AIO),
- Investment trust units (FA),
- Convertible participating debentures (KVB),
- Convertibles (KV),
- Basket certificates (KRG),
- Call options (KO),
- Reverse convertibles (OKV),
- Premium obligations (PO),
- Interest-bearing loans (RB),
- Discount notes (DI)
- Swedish depository receipts (SDB),
- Subscription options (TO) and
- Warrants (WT).

Financial Instruments are affiliated to ES as follows:

- The Issuer sends terms and any prospectus to ES, which assesses whether the Financial Instrument can be processed in the ES System. ES retains the right to require that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the account-keeping.
- In order to affiliate the Financial Instrument to ES an affiliation Agreement must be signed by the Issuer.
- Before the CSD register can be drawn up for the Financial Instrument, the Issuer must submit signed terms, signed affiliation documents, as well as an Affiliation Agreement signed by an authorised company signatory. After

this, initial account-keeping of the ES Accounts is carried by an Issuer Agent.

### 6.3 PARTICULAR INFORMATION REGARDING THE AFFILIATION OF CERTAIN TYPES OF FINANCIAL INSTRUMENT

When affiliating a new Financial Instrument such as an equity-linked bond (AIO), an interest-bearing loan (RB) or a basket certificate (KRG), the Issuer must submit terms and signed affiliation documents not later than 10.00 (10 am), two (2) Banking Days prior to the issue date for ES registration of the Financial Instrument to take place. The Issuer must furthermore, submit signed terms not later than 15.00 (3 pm), one (1) Banking Days prior to the issue date in order for issuance to take place.

ES supplies a function for the affiliation and Issue of warrants, which facilitates the Issue of large volumes at a single time. The Issuer must use the affiliation form applied by ES at the time, which can be found on ES's website. For the affiliation of warrants, the Issuer must submit signed terms and signed affiliation documents not later than 10 am (10.00), one (1) Banking Day prior to the issue date.

### 6.4 ASSIGNMENTS REGARDING REGISTRATION OF TRADING AND ISSUE HALTS

In order to implement payment in conjunction with the maturing or redemption of a Financial Instrument such as a basket certificate (KRG) or warrant (WT), the Financial Instrument must be halted as regards trading and issuance in the ES System. The Issuer must submit an assignment to ES not later than 3 pm (15.00) in order for ES to be able to register such a trading or issue halt on that day.

The registration of trading or issue halts means that there are five (5) open accounting days for transactions concerning the Financial Instrument. The trading or issue halt is then executed, after which it is possible to convert the Financial Instrument.

### 6.5 CONVERSION DATE

A conversion of a Financial Instrument such as a basket certificate (KRG) or warrant (WT) from the holder's ES Account for deregistration from the CSD Register assumes that the Financial Instrument has been halted as regards trading and issuance. Conversion takes place five (5) banking days after such a halt has been registered, after which payment can be implemented.

The Issuer must submit the payment assignment to ES not later than 3 pm (15.00), one (1) Banking Day before the Conversion date.

### 6.6 CHANGE OF SECURITY SORT

An Issuer may resolve that the terms for a Financial Instrument shall be changed (for example an extension of the term of a Debt instrument). The final payment date is a detail that is included in the security sort, and constitutes part of the Financial Instrument's unique identity. The identity of the Financial Instrument cannot be changed unless a new Financial Instrument with a different ISIN is created. A change of Financial Instrument takes place according to the 'change of security sort' routine.

Apart from shares, the following Financial Instruments are covered by a 'change of security sort':

- bonus share rights,
- interim shares,
- debt instruments, and

- purchase and subscription options.

Before the change can be performed, ES must have registered all new security sorts in the ES System. Convertible Financial Instruments that can be converted to a sort that is to disappear must also be included in the terms for the change.

#### 6.6.1 Timetable in the event of a change of security sort

<u>DAY</u>	<u>EVENT</u>
Day -3	Final day for trading with the old Financial Instrument.
Day -2	First day for trading with the new Financial Instrument.
Day 0	Record date.
Day 1	New Financial Instruments are posted in the holders' ES Accounts
Day 2	ES produces and distributes notifications.

### 6.7 REGISTRATION OF PM PROGRAMME

Before the Issuer intends to commence the issue of Financial Instruments within the upper limit for a PM programme, the Issuer must submit an assignment order to ES in accordance with the routines applicable at the time. It must be clear from the assignment which Issuer Agent(s) has been appointed by the Issuer for the PM programme in question. ES then registers the PM programme in the ES System. If necessary, consultation shall take place with ES regarding the scheduling of a PM programme or Debt instrument.

#### 6.7.1 Issue in a PM programme

An Issuer may issue debt instruments under one or more PM Programmes. The ES system is limited to handle only one currency per programme. A PM programme is drawn up for one type of Financial Instrument. Such a PM programme must be terminated in the ES system before a new PM programme concerning the same type of Financial Instrument and currency can be affiliated. On the other hand, more than one PM Programme may be registered at the same time for different types of Financial Instruments or currencies.

In those cases where the Issues under a PM programme are registered by several Issuer Agents, a leading Issuer Agent must represent the Issuer in its relations with ES. For such PM programmes, the ES System contains details about each Issuer Agent. The Issuer is responsible for the terms of the PM programme, and can itself be an Issuer Agent if the Issuer fulfils the requirements that ES stipulates for Issuer Agents.

The Financial Instruments that can be issued under a PM programme are the security type interest-bearing instruments (RB) and the security type discount notes (DI). An Issue of debt instruments under a PM Programme in the ES System is performed in several stages. In the first stage, ES sets up the PM Programme by registering information about the PM Programme. After this, the leading Issuer Agent and any participating Issuer Agent may conduct a registration in a PM Account in the Issuer's name, which is known as a registration account. Lastly, the Issuer Agent can register transactions to the PM Accounts of the holders.

#### 6.7.2 PM programme for discount notes

A PM programme for the security type discount notes (DI) covers either one or more discount notes. Discount notes are limited in time, usually for a period of one (1) to two (2) years. A PM programme may relate e.g. to treasury bills, bank certificates, central

bank certificates, commercial papers or municipal bonds. Where the PM Programme contains more than one discount note, these must be redeemed at different due dates.

#### 6.7.3 PM programme for interest-bearing instruments

A PM programme for the security type interest-bearing instruments (RB) covers either one or more interest-bearing instruments. Interest-bearing instruments are limited in time, usually for a period of two (2) to ten (10) years. A PM programme can relate e.g. to treasury bonds and housing bonds. Where the PM programme covers several interest-bearing instruments, several instruments can be redeemed on one and the same due date.

#### 6.7.4 Upper limit for a PM programme

A PM programme specifies a maximum programme amount that constitutes the Debt instruments' combined issue volume. The registered programme amount cannot be exceeded. The redeemed volume can be issued in a new Debt instrument. However, the combined volume of all instruments at any point in time may not exceed the PM programme's limit.

Where Financial Instruments, according to the terms for a PM Programme, may be issued in both Swedish kronor and euro and a programme amount expressed in one of the currencies or the equivalent value in the other currency is permitted for the PM Programme, the registration in the ES System must, for technical reasons, specify the upper limit for Issues in each of the currencies.

ES may, at the request of the Issuer, change the distribution of the programme amount between Swedish kronor and euro that has been registered in the ES System. Furthermore, ES may, at the request of the Issuer, raise the issue amount that has been registered for the PM Programme, where such an increase is possible according to the terms of the PM Programme.