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**NASDAQ OMX Riga Rules**

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

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## I. GENERAL PROVISIONS

### 1. Application of the Rules

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

(with amendments, approved on February 11, 2009, that come into force on February 13, 2009)

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

### 2. Terms Used in these Rules

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

- 2.1.1. The Exchange is a capital company, which organises the regulated market.
- 2.1.2. The regulated market is a totality of managerial, legal and technical activities that make possible public and regular conclusion of deals with financial instruments.
- 2.1.3. The Exchange drafts and applies these Rules in order to provide a regulated and transparent financial instruments market, taking into account protection of the interests of investors.
- 2.1.4 The market value, or capitalization, shall be determined by multiplying the number of all issuer's single category shares by the last price of these shares.

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

#### 2.2. Listed financial instruments

- 2.2.1. Listed financial instruments are financial instruments listed on the Exchange lists and are traded on the trading system of the Exchange .
- 2.2.2. The issuers of listed financial instruments shall have the obligation to comply with the provisions of these Rules during the listing of all the financial instruments issued by it.

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

- 2.3.1. The following financial instruments (hereinafter also – securities) may be listed on the Exchange lists:
- 1) shares or securities equated to them which provide holding in the capital of a commercial company;

- 2) bonds and other debt securities (including mortgage bonds, long-term and short-term bonds and other securities which verify the right of the owner to receive the nominal value and interest payments) (hereinafter – debt securities);
- 3) other tradable securities to which the rights to acquire the securities referred to in SubArticles 1 and 2 above by means of subscription or swapping are attached.
- 4) global depository receipts – securities that have been issued in order to replace the shares of an issuer registered in other country and give their acquirer the right to use the rights attached to the replaced shares;
- 5) investment fund units and other transferable securities that certify participation in investment funds or other similar mutual funds (hereinafter – investment fund units);
- 6) other financial instruments that in compliance with the Law may be listed and traded on regulated markets.

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

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

- 2.4.1. Main List (shares and other capital securities);
- 2.4.2. Secondary List (shares and other capital securities);
- 2.4.3. Bond List (debt securities);
- 2.4.4. Investment Fund List (investment fund units);

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

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

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

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

- 3.1.1. The Rules and amendments thereto shall be developed by the Exchange.
- 3.1.2. The Rules and amendments thereto before their approval shall be submitted to the Financial and Capital Market Commission (hereinafter – the Commission) for opinion. If no objections are stated in the opinion, the Exchange shall have the right to approve the Rules and amendments thereto.
- 3.1.3. The Rules and amendments thereto shall enter into force in compliance with the procedure stipulated under the Law. The Exchange shall publish the Rules and amendments thereto on its Internet website at least one day prior their entering into force.
- 3.1.4. The Exchange Management Board shall have the right to prepare and approve documents in which there are provided recommendations and suggestions and detailed procedures for the applying and executing individual general provisions set forth in these Rules.

### **3.2. Equal attitude**

- 3.2.1. These regulations and the Exchange fees shall be applied equally upon all Issuers and persons that have submitted a Listing Application.
- 3.2.2. The Exchange shall have the right to apply exceptions in the cases referred to in these Rules.

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

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

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

- 4.1.1. The Issuer which wants to have the financial instruments issued by it listed on a list of the Exchange has to be registered and operating in compliance with the regulatory acts of its country of registration, its Articles of Association/Charter and these Rules.
- 4.1.2. The Issuer's Articles of Association/Charter should conform to the regulatory acts regulating the activities of the Issuer. The Issuer shall ensure that the Articles of Association/Charter are publicly accessible at the Issuer's office and on the Internet website of the Issuer, if any.
- 4.1.3. The Exchange shall have the right not to list financial instruments of an Issuer against which insolvency or bankruptcy procedure has been instituted during the last two years before submitting the Listing Application or which has had regular insolvency problems during the said period.
- 4.1.4. The Issuer's economic activity, including legal and economic standing, has to be such that does not threaten the interests of the investors.

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

- 4.2.1. Only freely transferable financial instruments may be listed on the Exchange lists and the transfer right of the financial instruments may not be restricted by the Articles of Association/Charter of the Issuer.
- 4.2.2. The financial instruments applied for listing shall be book-entered with the Latvian Central Depository (hereinafter – the LCD) or another foreign central depository with which the Exchange and/or the LCD has entered into agreement on cooperation in provision of payments (hereinafter – the Depository).
- 4.2.3. Only dematerialized financial instruments may be applied for listing.
- 4.2.4. The financial instruments applied for listing have to conform to the provisions of the regulatory acts applicable thereto and they have to be issued in compliance with the provisions of the said regulatory acts, the Articles of Association/Charter of the Issuer or other documents regulating the activity of the Issuer.

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

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

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

### **5.2. Financial reports of issuers**

The Issuer which applies for listing on the Main list has to have prepared as minimum the last annual report in compliance with the International Accounting Standards.

### **5.3. Minimum market value of shares**

Shares may be listed on the Main list if their anticipated market capitalization (if it cannot be assessed, the equity of the Issuer) is at least four (4) million euros or the equivalent sum in lats according to the rate set by the Bank of Latvia on the day when the Issuer submits the listing application on listing and trading of shares on the Main list. The Exchange Management Board shall have the right to set exceptions to this requirement if sufficient interest from investors about the trading of the relevant shares on the regulated market is expected.

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

### **5.4. Free float**

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

5.4.2. Not later than the day on which the trading with shares starts, a sufficient free float is to be ensured. This condition shall be deemed as met if:

- 1) at least twenty-five percent (25%) of the shares of the category which the Issuer wants to list at the Exchange are in free float, or
- 2) the number of shares in free float is smaller than that specified in Article 5.4.2. 1) hereof, but the capitalisation of the shares on free float exceeds ten million (10,000,000) euros or the equivalent amount thereof in accordance with the exchange rate set by the Bank of Latvia.

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

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

5.4.4. The number of shares in free float shall be calculated by the Exchange once per year – on October 31, on the basis of the information provided by participants of the Depository on the owners of the shares listed on the regulated market.

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5.4.5. The capitalisation of the shares in free float as specified under Article 5.4.2. 2) hereof shall be calculated once per year on October 31. The average capitalisation of shares in the period of 12 months before October 31 (including) shall be used for the calculation.

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

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

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

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

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

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

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

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

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

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

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

A commercial company applying for the first listing of debt securities has to have been active in the main field of its economic activity for at least two (2) years. The Exchange Management Board shall have the right to set exceptions regarding this requirement, taking into account the

Issuer's financial standing, position in the market, business area, reputation, future plans or other material factors significant for the evaluation of the Issuer and/or its economic activity.

## **7.2. Financial reports of issuers**

Commercial companies which apply for the first listing of debt securities shall have prepared at least the last annual report in compliance with the International Accounting Standards.

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

The total nominal value of the debt securities applied for listing shall have to be at least two hundred thousand (200 000) euros or the equivalent sum in lats according to the exchange rate of the Bank of Latvia on the day when the Issuer submits the listing application on listing and trading of debt securities on the Main list.

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

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

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

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

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

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

8.1. The purpose of the Investment Fund List is to inform the investors about the funds listed and the value of their units, the sell and buy price of the fund units, and the trading results.

8.2. An investment fund may be listed on the Investment Fund List upon condition that the investment fund conforms to the provisions of the Asset Management Company Law and if it is registered with the Commission or in a country of the European Economical Area and has the right to distribute fund units in Latvia.

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

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

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

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

- 9.1.2. The Listing Procedure starts as of the moment when the Issuer has submitted to the Exchange an application for the listing and trading of the financial instruments issued by it (hereinafter – the Listing Application).
- 9.1.3. The Exchange shall have the right to publish the information about the initiation of the Listing Procedure on the Internet website of the Exchange.
- 9.1.4. During the Listing Procedure, the Exchange Management Board shall have the right to apply upon the Issuer the obligation to conform fully or in part to the provisions set out herein for the Issuers as to disclosure of information.
- 9.1.5. The Listing Procedure shall be completed:
- 1) upon listing decision taken by the Exchange Management Board ;or
  - 2) upon decision of the Exchange Management Board on refusal of listing; or
  - 3) upon an application from the Issuer on withdrawing the Listing Application.

## **9.2. Listing Application**

- 9.2.1. The Issuer which wants to have its financial instruments listed on any of the lists of the Exchange shall submit to the Exchange the Listing Application and any other documents specified herein.
- 9.2.2. The Issuer shall draw up the Listing Application in compliance with the specimen approved by the Exchange Management Board, providing in it the information required by the Exchange Management Board. The Listing Application shall be also sent to the Exchange in electronic form to the e-mail address specified by the Exchange.
- 9.2.3. If the Issuer whose shares are already listed on the lists of the Exchange issues shares of the same category, it shall submit to the Exchange the Listing Application on the listing of the additionally issued shares not later than on the last day on which the shares can be subscribed for if in compliance with the issue rules the issue of shares is deemed as having taken place to the amount of subscribed shares.
- 9.2.4. After submitting the Listing Application to the Exchange, the Issuer shall have the obligation to inform the Exchange, without delay, about any circumstances that have occurred during the examination of the Listing Application if such circumstances may affect the price of the financial instruments and decisions of investors about performing transactions with the financial instruments.
- 9.2.5. In addition to the documents referred to under Articles 9.3- 9.5 hereof, the Exchange Management Board shall have the right to demand other information and documents which the Exchange Management Board considers necessary in order to decide about the listing of the financial instruments on the Exchange lists and the commencement of trading in them.
- 9.2.6. The Exchange shall have the right to demand from the Issuer information about the location, business area and owners of the shareholders that are legal entities and held five per cent (5%) or more of the Issuer's voting share capital, as well as about persons that are authorized to represent them.

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

- 9.3.1. If the Issuer applies its shares for listing on the Exchange lists for the first time, it shall append the following documents to the Listing Application:

- 1) a copy of the Issuer's registration certificate or similar document, certified by a notary public, which certifies the legal status of the Issuer (fact of registration), copy and information about the resolutions of the managing institutions of the Issuer that have been adopted prior to submitting the listing application but not yet registered with the Commercial Register;
- 2) a copy of the Articles of Association/Charter of the Issuer, certified by a notary public;
- 3) the Issuer's Management Board report on business plans for the current and at least the next reporting period;
- 4) a copy of the Issuer's shareholders' meeting decision on amendments to the Articles of Association/Charter and the increase in equity;
- 5) the issue prospectus or the prospectus (hereinafter both together and individually referred to as - the prospectus), which has been drawn up and registered in accordance with the requirements of the Law (to be submitted also in electronic form), or, if in accordance with the Law no prospectus has to be prepared for the listing of the relevant shares on the Exchange, an equal document;
- 6) the resolution on submitting the Listing Application taken by the authorised management body of the Issuer;
- 7) if an agreement with an Exchange member on market making for the financial instruments of the Issuer has been concluded, the information about the conclusion of the agreement and a description of the main provisions of the agreement;
- 8) copies of annual reports certified by a certified auditor (also in electronic form): if it is planned to list the shares on the Main List – annual reports for the last three (3) years shall be submitted; if on the Secondary List – the annual report for the last year shall be submitted; If more than eight (8) months have passed since the last audited financial year, the Issuer shall be obliged to submit the interim financial report on 6 months of the current financial year;
- 9) in the event the Issuer has a parent company, statements of the parent company and the Issuer that there do not exist any arrangements that the Issuer would have to transfer the entire profit or a part thereof to its parent company and that none such would be made during the listing period on the Exchange ;
- 10) in the event the Issuer has a parent company, the parent company's written commitment to conform to these Rules. If the parent company is a dependant company, the Issuer shall submit the commitment of its parent company's parent to conform to the Exchange Rules.

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

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

- 1) a copy of the Issuer's shareholders' meeting decision on amendments to the Articles of Association/Charter and the increase in equity;
- 2) the issue prospectus or the prospectus (hereinafter both together and individually referred to as - the prospectus), which has been drawn up and registered in accordance

with the requirements of the Law (to be submitted also in electronic form) , or, if in accordance with the Law no prospectus has to be prepared for the listing of the relevant shares on the Exchange, an equal document;

3) the resolution on submitting the Listing Application taken by the authorised management body of the Issuer;

4) a copy of the amendments to the Articles of Association/Charter of the Issuer.

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

9.4.1. If the Issuer whose shares are not listed on the Exchange applies its debt securities for listing on the Exchange lists for the first time, the following documents shall be appended to the Listing Application:

1) a copy of the Issuer's registration certificate or similar document, certified by a notary public, which certifies the legal status of the Issuer (fact of registration), copy and information about the resolutions of the managing institutions of the Issuer that have been adopted prior to submitting the listing application but not yet registered with the Commercial Register;

2) a copy of the Articles of Association/Charter of the Issuer or another document certifying the establishment of the enterprise, certified by a notary public;

3) the resolution on the issuing of debt securities and the submitting the Listing Application taken by the authorised management body of the Issuer;

4) copies of annual reports of two last years, certified by a certified auditor (also in electronic form):

5) the prospectus, which has been drawn up and registered in accordance with the requirements of the Law, or, if in accordance with the Law no prospectus has to be prepared for the listing of the relevant shares on the Exchange, an equal document (to be submitted also in electronic form);

6) if an agreement with an Exchange member on market making for the financial instruments of the Issuer has been concluded, the information about the conclusion of the agreement and description of the main provisions of the agreement;

9.4.2. If the Issuer whose shares are listed on the Exchange applies its debt securities for listing on the Exchange lists for the first time, the following documents shall be appended to the Listing Application:

1) the resolution on the issuing of debt securities and the submitting the Listing Application taken by the person authorised by the Issuer;

2) the prospectus, which has been drawn up and registered in accordance with the requirements of the Law, or, if in accordance with the Law no prospectus has to be prepared for the listing of the relevant shares on the Exchange, an equal document (to be submitted also in electronic form);

9.4.3. If an Issuer whose debt securities are listed on the Bond List applies for the listing of additional debt securities of the same type and category or another type and category, the Issuer shall submit the Listing Application and append the documents referred to in Articles 9.4.2.1 and 9.4.2.2 hereof thereto:

9.4.4. If the Listing Application is submitted in relation to Latvian Government Treasury bills and bonds, the following information shall be provided in the Listing Application:

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

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

9.5.1. If the Listing Application is submitted in relation to investment fund units, the following documents shall be appended thereto:

- 1) a copy of the asset management company's registration certificate or similar document, certified by a notary public, which certifies the legal status of the asset management company (the fact of registration), copy and information about the management bodies of the asset management company that have been adopted before submitting the listing application but not yet registered with the Commercial Registry;
- 2) a copy of the Articles of Association/Charter of the asset management company, certified by a notary public;
- 3) a copy of the Commission's resolution on the registration of the investment fund, if the it has been established and registered in compliance with the Asset Management Company Law;
- 4) a confirmation of the Commission about the fact that an investment fund registered abroad is entitled to circulate publicly its investment fund units in Latvia;
- 5) the Fund Management Regulation with amendments thereto, if any (to be submitted also electronically);
- 6) the Fund Prospectus with amendments thereto, if any (to be submitted also electronically);
- 7) a copy of the agreement with the custodian bank;
- 8) first name and surname of the asset management company supervisory board and management board members and the fund manager;
- 9) audited annual report of the Fund, as well as an non-audited semi-annual report, if such has been approved since the last annual report and before submitting the Listing Application (to be submitted also in electronic form);
- 10) the number and price of the investment fund units on the day of submitting the Listing Application;
- 11) the value of the investment fund and investment fund unit as of the last day of every month under the last twelve months or a shorter period if the fund has been active for a shorter time;

12) if the investment fund units are listed on another regulated market, the list of the market organizers of such markets;

13) the structure of the investment fund's assets or the investment portfolio as of the day of submitting the Listing Application;

14) the resolution of a closed-end fund's shareholders general meeting on the listing of the investment fund units on the regulated market, if such provision is not included in the prospectus or an authorization for the investment management company to adopt such resolution is not included in the prospectus.

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

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

### **10.1. Listing decision**

10.1.1. The Exchange Management Board shall pass a listing decision or refuse listing within 10 days from the day on which the Issuer submitted the Listing Application and the documents referred to in these Rules to the Exchange. If the Exchange Management Board has required additional information from the Issuer, the examination term of the Listing Application shall be counted from the moment of disclosing the required information to the Exchange.

10.1.2. If in the listing decision it is not stipulated otherwise, the first trading day of the financial instruments applied for listing shall be the sixth (6) trading day since the day (including) on which the listing decision has been adopted, except the cases when the provisions set forth in Article 10.7 hereof have not been implemented.

10.1.3. In the listing decision or refusal of listing, the Exchange Management Board shall indicate the provisions and requirements referred to in these Rules pursuant to which the decision has been adopted.

10.1.4. The Exchange Management Board shall have the right to refuse listing on the Exchange lists also if the Issuer and the financial instruments issued by it conform to these Rules, but the Exchange Management Board, having assessed the Issuer's financial standing, position in the market, client structure, growth potential, business area, reputation, future plans and other material factors that are important in the assessment of the Issuer's economic activities, arrives to a conclusion that listing of the financial instruments may have an adverse effect on the functions of the regulated market and damage the interests of investors.

10.1.5. The Exchange Management Board, in order to ensure sufficient liquidity of financial instruments, shall have the right to demand from the Issuer which has submitted the listing application to enter into an agreement with an Exchange Member on market making for the financial instruments of the Issuer.

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

10.2.1. The Exchange Management Board shall have the right to pass a listing decision also in the event if on the moment of submitting the listing application the Issuer which applies for listing or the financial instruments issued by it do not conform to the provisions of these Rules but the Exchange Management Board considers that the Issuer and the financial instruments issued by it will conform to the requirements for the issuers and

financial instruments set forth in these Rules after the primary placement, public offering or other activities that will be carried out after the passing the listing decision, however, before the term set in these Rules. In this resolution the Exchange shall determine the conditions to be met by the Issuer, as well as the timeframe for the fulfilment of these conditions.

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

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

- 10.3.1. If the Issuer issues shares of the same category that is already listed in the Exchange and has filed with the Exchange the Listing Application, the Exchange Management Board shall have the right to take the decision on the trading in these shares as of the day on which the payments for these shares have been made. Until the day on which the Issuer provides the Exchange with a statement from the Commercial Register on the registration of the increase in equity, the additional shares shall be traded under a code that is different from the code of the shares of the same category listed on the Exchange.
- 10.3.2. After the Issuer has submitted to the Exchange the extract from the record in the Commercial Register about the increase in equity and has informed the Exchange that the shares issued in the result of the increase in equity give rights equal to the shares of the same type already listed on the Exchange, the Exchange shall list the newly issued shares with a code which is identical to the code of the shares of the same type already listed on the Exchange.
- 10.3.3. In case of a bonus shares issue (shares given to existing shareholders for free), the Exchange Management Board shall have the right to take a decision on trading in them immediately following the registration of the issue with the Depository.

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

10.4.1. The Exchange, after the Exchange Management Board has passed the listing decision, shall send, without delay, a written notification on the adopted decision to the Issuer, the Commission and the Depository.

10.4.2. The Exchange shall publish, without delay, the information about the decision on the Internet website of the Exchange.

#### **10.5. Publishing the prospectus**

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

10.5.2. The Issuer shall have the obligation to inform the Exchange, without delay, about any circumstances that have occurred during the period between publishing the prospectus and listing of the financial instruments on the Exchange if these circumstances may affect the price of the issued financial instruments and the interests of investors. The Issuer shall have the obligation to describe all the said events in the supplement to the prospectus and to submit the same to the Exchange in accordance with the procedure set out herein.

#### **10.6. Appealing the decision**

If the Exchange Management Board has passed the decision to refuse listing, the Issuer shall have the right to appeal the decision of the Exchange Management Board to the Commission within thirty (30) days as from the day on which the Issuer has received the respective resolution.

#### **10.7. Listing agreement**

10.7.1. The Issuer shall be obliged to sign the listing agreement within five (5) trading days as from the adoption of the listing decision, however, not later than three (3) trading days prior to the listing date. The agreement shall determine the obligation of the Issuer to comply with these Rules. The Exchange shall not commence trading with the financial instruments of the Issuer until the listing agreement is entered into.

10.7.2. The listing agreement on the listing and/or trading of investment fund units on the Investment Fund List of the Exchange shall be signed by the investment fund's management company.

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

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

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

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

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

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

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

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

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

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

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

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

11.2.7. The Exchange shall, via the information system of the Exchange and without delay, publish an announcement about the resolution to suspend or resume trading in financial instruments.

11.2.8. Suspension of trading may not exceed six months.

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

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

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

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

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

11.4.2. If the necessity to wait for publication of particular information caused suspension of trading, trading shall be resumed after publication of the respective information if there

are no other reasons for suspension of trading. If the information to be disclosed is large in volume, the Exchange may extend the suspension after publication of such information in the information system of the Exchange for a period of time which is needed for the members of the Exchange and investors to study the information.

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

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

- 12.1.1. The Exchange Management Board shall have the right to delist the Issuer's shares from the Exchange lists upon written application of the Issuer. The delisting decision has to be adopted at the Issuer's shareholders meeting. In the minutes of the shareholders meeting the shareholders that supported (voted 'for') delisting have to be specified.
- 12.1.2. The Issuer may request delisting only in the event if an offer to redeem the Issuer's shares announced in compliance with the provisions of the Law has been concluded.
- 12.1.3. The Exchange Management Board shall have the right decide in favour of or against delisting within ten (10) days from the day of submitting the application, or from the day on which the Issuer disclosed the additional information required from the Exchange Management Board for the examination of the issue.

### **12.2. Delisting of debt securities**

If debt securities listed on the Exchange are redeemed on the maturity date in compliance with the issue prospectus or issue rules, such securities shall be delisted automatically one (1) trading day before the redemption.

### **12.3. Delisting of investment fund units**

- 12.3.1. Investment fund units shall be delisted within one (1) month of submitting the delisting application.
- 12.3.2. The Exchange Management Board shall have the right pass a decision on delisting investment fund units from the Investment Fund List upon application from the asset management company. The Exchange Management Board may pass the said decision if it does not cause material damage to the investors of the investment fund, or if in compliance with the procedure stipulated by the Asset Management Company Law the liquidation of the investment fund has been commenced, or the general meeting of the investors of the closed-end investment fund has resolved on delisting the investment fund units from the regulated market.

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

- 12.4.1. The Exchange shall inform, without delay, in writing the Issuer and the Commission about the financial instruments delisting decision. In this notification, the description of the circumstances justifying the delisting decision shall be included.
- 12.4.2. The Exchange shall publish the notification on delisting decision in the information system of the Exchange.

## **12.5. Appealing the resolution**

If the Exchange Management Board has rejected the delisting application, the Issuer or the asset management company may appeal such decision to the Commission within 30 days of the receipt the decision.

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

## **13. General Provisions**

### **13.1. Information to be disclosed**

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

13.1.2. The Issuer shall have the obligation to publish, without delay, any information on material changes in its economic activity or other circumstances related to the Issuer that has not been publicly disclosed and that may affect the price of its listed financial instruments or the ability of the Issuer to fulfil the liabilities attached to the financial instruments (hereinafter also– material information).

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

### **13.2. Insider information**

13.2.1. Meaning of insider information and the persons that are regarded to be insiders are determined in the Law.

13.2.2. When publishing the insider information in accordance with the Law, the Issuer shall be obliged to simultaneously disclose the same to the Exchange in accordance with these Rules.

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

13.3.1. The obligation of the Issuer shall be to carefully examine, on a regular basis, all developments and changes in the economic activity of the Issuer in order to evaluate what information in compliance with the requirements of these Rules is to be disclosed immediately.

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

13.3.3. When disclosing information, the Issuer who is registered in Latvia shall have the obligation to present all financial data both in Latvian lats and euros. The Issuer shall use the exchange rate of the Bank of Latvia as of the moment (day) of the notification or occurrence of the action for calculation, specifying the date.

13.3.4 When disclosing information, the Issuer who is not registered in Latvia shall have the right to present all the financial data in the official currency of its registration country and euros or only in euros.

- 13.3.5. If the information already disclosed to the Exchange is being altered, the Issuer shall submit, without delay, to the Exchange a notification about the alterations.
- 13.3.6. The Exchange shall have the right to demand from the Issuer to provide comments and/or additional information about the information disclosed by the Issuer. The obligation of the Issuer shall be to immediately disclose the requested information.
- 13.3.7. The Issuer may not disclose previously undisclosed information which may affect the price of the listed securities in reports, commentaries, and interviews or in any other way until the moment when such information is disseminated through the information system of the Exchange.
- 13.3.8. The Issuer shall ensure that all the information which the Issuer plans to disclose to the holders of the listed securities is publicly disclosed in compliance with procedure determined in these Rules not later than it is being disclosed to the holders of the respective securities.
- 13.3.9. If the Issuer learns that the information which in compliance with these Rules is deemed as information to be disclosed has been accessible to unauthorized persons before public disclosing of it, the Issuer shall, without delay, disclose such information according to these Rules.
- 13.3.10. If the circumstances referred to in Article 13.3.8 hereof have occurred and the Issuer needs additional time to prepare the information to be disclosed, the Issuer shall, without delay, notify the Exchange about the Issuer's intention to disclose material information shortly, in the notification briefly describing the event about which it is planned to disclose information.
- 13.3.11. If the Exchange considers that the information referred to in Article 13.3.8 hereof may cause significant fluctuations in the price of the listed securities of the Issuer, the Exchange may temporarily suspend trading with the securities of the respective Issuer until the Issuer discloses completely the particular information.
- 13.3.12. If the Issuer considers that the information required by the Exchange pursuant to Article 13.3.5 hereof comprises its business secrets or that the disclosure of information might otherwise damage the interests of the Issuer, the Issuer may request the Exchange not to distribute publicly such information. In the application to the Exchange, the contents of the information and an explanation justified by the Issuer, providing the reasons why the Issuer does not want to publicly disclose the relevant information, shall be provided.
- 13.3.13. If the Issuer learns that other persons have distributed correct or incorrect information about the Issuer which may or has affected the price of the Issuer's securities, the Issuer shall immediately comment upon such information by submitting a respective notification to the Exchange.
- 13.3.14. The Issuer the securities of which are listed on another regulated market or another type of trading system shall ensure that the information disclosed by the Issuer be disclosed to the Exchange not later than the moment when it is being disclosed in another regulated market or trading system where the Issuer's securities are listed or traded.

13.3.15. The Exchange Management Board may, in specific cases, allow exceptions for the requirements set forth in these Rules regarding disclosing the information to the Exchange.

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

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

13.4.1. In the interpretation of these Rules, information is to be deemed as disclosed when it is disclosed as a notification by means of the information system of the Exchange.

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

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

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

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

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

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

13.4.7. The Issuer shall ensure that the Exchange may publish the notification or financial reports in English in the information system of the Exchange simultaneously with the notification or financial report in Latvian, however, not later than before the opening of the next trading day at the Exchange.

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

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

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

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

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

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

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

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

**14.3. Change of the paying agent**

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

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

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

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

14.4.3. The Issuer shall disclose the record date (hereinafter Record date) for fixing list of the owners of securities, eligible to the rights attached to the securities, not later than nine (9) days prior to this date. The Issuer may not set the Record date sooner than ten (10) trading days after the day when the Issuer's approved management body has taken a decision on transfer, creating or termination of the rights attached to the securities (as redemption, dividend payment, change of nominal value). In the interpretation of these Rules, the "rights attached to securities" are any rights the holders of the relevant securities are made eligible to pursuant to the provisions of regulatory acts or the issue rules for the securities in question.

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

14.4.5. On the third (3rd) day before the Record Date announced by the Issuer, the Exchange, prior to the opening of the trading session, shall publish a notice on the trading system saying that the buyers on that day (provided that the settlement period is T+3) are eligible to any rights that may change or be complemented on the Record Date. In case the buyer fails to receive securities on his account on the Record Date, he/she may claim for compensation from the seller for the attached rights.

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

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

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

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

#### **14.6. Insolvency or liquidation**

14.6.1. The Issuer shall have the obligation to immediately disclose information about a decision of the Issuer, its parent company or significant subsidiary to file an insolvency application to the court.

14.6.2. The Issuer shall be obliged to immediately disclose that fact that an insolvency procedure against the Issuer, its parent company or a significant subsidiary has been instituted. In the interpretation of these Rules, a subsidiary shall be deemed significant if the sum of its assets, turnover, profit, or loss, according to the last annual report, is ten (10) or more per cent of the consolidated balance, turnover, profit or loss of the concern.

14.6.3. The Issuer shall have the obligation to immediately disclose information about declaration of insolvency or financial recovery of the Issuer, its parent company or significant subsidiary.

14.6.4. The Issuer shall have the obligation to immediately disclose information about intention to close down the business or liquidate the company.

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

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

#### **14.8. Annual report and interim financial reports**

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

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

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

14.8.4. The Issuer whose shares are listed on the Exchange shall provide the following information in the annual report in addition to the information referred to in the regulatory acts on the preparation of annual reports and in the Law:

- 1) information about the circumstances in the result of which the financial results of the Issuer differ from previously announced forecasts for more than ten per cent (10%);
- 2) the number of the Issuer's shares which are owned by the members of the Issuer's supervisory board or management board at the end of the financial year, indicating data separately for each member of the supervisory board or management board. The shares made available for buying by the said persons, taking into account the share options

granted to them, shall be specified individually; information about share options that are still effective and which have been granted to the members of the management board and supervisory board of the Issuer during the financial year, together with information about the members of the management board and supervisory board which are eligible to such options.

3) the list of the shareholders which own more than five per cent (5%) of the voting shares of the Issuer at the end of the respective financial year. If there are no such shareholders, a relevant confirmation shall be submitted;

14.8.5. If in its annual report the Issuer discusses the expected development in the next financial year, the Issuer shall disclose such information in the annual report in compliance with Article 14.9 of these Rules.

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

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

14.8.8. After publishing of the annual report, it shall be made accessible also on the Internet website of the Issuer, if in place, and at the Issuer's office. If necessary, the Issuer shall allow copying the annual report.

14.8.9. If the securities of the parent company or a significant subsidiary of the Issuer are listed on the Exchange or another regulated market, the Issuer shall provide simultaneous publicizing of the financial reports of the said enterprises at the relevant regulated markets.

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

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

14.8.12. The information provided in the financial report has to be sufficiently detailed in order to prevent a situation that completely new information which was not included in the financial report on the respective period and which may materially affect the price of the Issuer's shares is included in the annual report.

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

14.9.1. If the Issuer discloses forecasts of financial results for the next report period or periods, the Issuer shall explain the forecasts, indicating the circumstances and assumptions on which the forecasts are based. If a forecast of financial results comprises extraordinary income or expenditures known to the Issuer, the Issuer shall separately indicate such income or expenditures.

14.9.2. If after publicizing the Issuer's forecasts of financial results there is a reason to consider that the forecasts will differ from the actual financial results of the period for

more than 10%, the Issuer shall, without delay, disclose to the Exchange the information about the current situation and explain the causes of such deviations of the forecasts. The Issuer shall disclose the respective information to the Exchange also if it is not possible to implement the assumptions on which the previous forecast was based.

#### **14.10. Changes in the Issuer's commercial activity**

14.10.1. The Issuer shall reveal, without delay, all circumstances and events that have materially affected or which could materially affect the Issuer's business or financial standing. As such circumstances the following may be considered:

- 1) Transactions with fixed assets in considerable amounts;
- 2) Material fluctuations in the prices of the goods, raw materials or services of significance for the Issuer;
- 3) Conclusion, breach or cancellation of agreements of significance for the Issuer; material violations of agreements due to the Issuer and against the Issuer;
- 4) Entering or losing the markets for new products or services;
- 5) Investments of a significant amount;
- 6) Planned merging, division or reorganization and proposals to the Issuer to purchase own shares of all or one category or shares of its significant subsidiary and the Issuer's reply to such proposal;
- 7) An agreement entered into with another enterprise on establishing a joint venture or on starting a new joint project, if the amount of the agreement is significant;
- 8) Change of the Issuer's business field.

14.10.2. In the interpretation of these Rules, transactions or investments of significant amount shall mean transactions of the Issuer or its subsidiaries in the result of which the sum payable or to be received for the assets, including the market value of the assets or shares, or the debt liabilities or credits undertaken by the Issuer are equal to or exceed 10% of the Issuer's own capital according to the last consolidated balance audited by a certified auditor.

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

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

14.10.4. The Issuer shall have the obligation to disclose, without delay, the information about all other circumstances, events or transactions that are not referred to on Article 14.10.1 of these Rules but may materially affect the Issuer's financial standing, business, and forecasts of fulfilling liabilities or in any other way affect the price of the Issuer's securities.

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

### **15.1. Shareholders meeting**

- 15.1.1. The Issuer shall have the obligation to disclose, without delay, to the Exchange the information about the resolution to call a shareholders meeting, its date, place and other circumstances. The Issuer shall disclose the information about the agenda of the meeting.
- 15.1.2. Not later than two (2) weeks before the shareholders meeting the Issuer shall disclose all draft resolutions included on the agenda of the meeting. The Issuer is deemed to have disclosed the draft resolutions, if they provide sufficient information for a shareholder to decide on his/her vote on the agenda item in question.
- 15.1.3. The Issuer shall, without delay, however, not later than the next business day after the shareholders meeting till the beginning of the trading session, disclose all the resolutions adopted at the meeting.
- 15.1.4. If an extraordinary shareholders meeting is called, in addition to the information referred to in Article 15.1.1 of these Rules, the Issuer shall specify also the reasons and initiators of the extraordinary shareholders meeting.

### **15.2. Dividends**

- 15.2.1. The Issuer shall disclose to the Exchange, without delay, the information about the resolution of the management board and supervisory board of the Issuer to propose to the shareholders meeting to pay or not to pay dividends.
- 15.2.2. If the management board and supervisory board of the Issuer have proposed to the shareholders meeting to pay dividends, the Issuer shall include, in addition to other information, the following in the draft resolution on the payment of dividends:
- 1) the planned Record Date in accordance with the requirements under Article 14.4.3 hereof;
  - 2) the amount of dividends to be paid per share.
- 15.2.3. Together with the notification about the resolution to pay dividends adopted by the shareholders meeting, the Issuer shall submit at least the following information:
- 1) the Record Date in accordance with the requirements under Article 14.4.3 hereof;
  - 2) the amount of dividends to be paid per share;
  - 3) the dividend payment date.

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

- 15.3.1. The Issuer shall disclose to the Exchange, without delay, the information about the resolution of the management board or supervisory board of the Issuer to propose to the shareholders meeting an increase in share capital.
- 15.3.2. The shareholders meeting shall include the following information in the prepared draft resolution on the increase in share capital (draft rules on increase in share capital) in addition to the information referred to in the Commercial Law.
- 1) The Record Date, if in accordance with the rules on the increase in share capital it is required to record the existing shareholders who/which have the right to use the priority to newly issued shares or who have the right to receive free shares (in case of bonus

shares issue). The Record Date shall be set in accordance with the requirements under Article 14.4.3 hereof;

2) information about the financial year as from which the newly issued shares benefit from profit distribution;

3) if a placement agreement has been signed or will be signed with a provider of investment services on primary placement of the shares (full underwriting or best efforts basis), the description of the key provisions of the agreement;

4) the date of payment for the subscribed shares;

5) a description of situations when shares are undersubscribed or oversubscribed.

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

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

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

15.4.2. In the resolution of the shareholders meeting or supervisory board on the reduction in share capital, in addition to the data required under the Commercial Law, also the information on the Record Date set in accordance with 14.4.3 hereof shall be included.

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

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

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

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

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

1) acquisition of own shares;

2) selling of own shares;

3) authorisations in relation to the resolutions referred to paragraphs 1) and 2) above.

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

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

15.6.1. The Issuer shall have the obligation to disclose information about a planned debt securities issue. In the notification to the Exchange, at least the following information shall be included:

- 1) the number of the debt securities to be issued, nominal value, date of payment and interest rate;
- 2) a guaranty issued in relation to fulfilment of the liabilities which are attached to the debt securities of the Issuer;
- 3) the terms and conditions of subscription to the debt securities and the issue price.

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

15.7.1. If the Issuer has announced a public subscription to its newly issued shares or debt securities, the Issuer shall be obliged to publish information on the number of subscribed shares immediately after the subscription period. If the issue is undersubscribed and/or the payment for some subscribed securities has not been made, the Issuer shall inform about the measures to be taken.

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

## **15.8. Shareholders' agreements**

The Issuer shall ensure that the shareholders which own more than five per cent (5%) of the voting shares of the Issuer inform the Exchange by the agency of the Issuer about the material provisions of all agreements entered into with other shareholders or third parties which may influence free transfer of shares or which may materially affect the price of the shares.

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

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

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

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

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

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

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

- 1) if the amount of assets of the consolidated balance sheet, the equity or the turnover of the commercial company the capital shares of which are obtained or lost by the Issuer is

- 10% or more of the relevant results of the Issuer according to the last audited consolidated annual report of the Issuer;
- 2) if the amount payable or due for the capital shares of the commercial company is 10% of the equity capital of the Issuer according to the last audited consolidated annual report of the Issuer;

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

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

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

15.10.5. The Issuer shall be obliged to disclose the information specified herein also on all the other significant subsidiaries that are within one group with the Issuer.

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

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

15.11.2. The Issuer shall disclose to the Exchange, without delay, information on the progress of the reorganisation and the decisions taken in connection thereto and the related approved documents to be disclosed to the shareholders in compliance with the relevant legislation.

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

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

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

15.12.2. The Issuer shall have the obligation to disclose information about the competent body of the Issuer which issues the share options to employees. In this notification, at least the following information shall be included:

- 1) the justification for the determination of the subjects which have the right to share options and the number of shares to be sold to them; the maximum number of shares which one person is entitled to receive in compliance with the conditions of the option. If one or more members of the Issuer's supervisory board are entitled to options, the information about the number of the shares given to the each member of the supervisory board or the justification for the determination of the number of shares shall be provided;
- 2) the maximum number of purchased or issued shares for execution of the conditions of the share option; the schedule of the share option plan and the date of the option use;
- 3) the price at which the option can be exercised;
- 4) the financial year in which the shares issued give the right to the first dividend;
- 5) the category of the shares to be issued to fulfil the conditions of the share option and description of the rights attached to the shares if these rights differ from the rights attached to the shares previously issued by the Issuer;
- 6) any other important conditions of the share option.

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

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

15.13.1. When defining the conditions of share options given to the employees of the Issuer, the Issuer shall conform to the following requirements:

- 1) when issuing new shares, the fixed price of option use may not be lower than the weighted average price of the share on the trading day before the day of approving the terms and conditions of the option;
- 2) if new options for the fulfilment of the conditions of the option have not been issued, the fixed price of option use may not be lower than the weighted average price of the purchased shares;
- 3) the maximum rights of each person do not exceed 25% of the total amount of shares to be issued or sold in order to exercise the option;
- 4) If new shares have not been issued for the option, the terms and conditions of the option shall be approved by the Issuer's shareholders general meeting in compliance with the legislation. Purchasing the shares in the secondary market may not be

commenced sooner than on the tenth trading day as from announcing the resolution of the meeting to the Exchange;

5) If the Issuer has entered into an agreement with a shareholder (shareholders) on the acquisition of shares needed for the fulfilment of the option scheme, or if the Issuer plans to enter into such agreement, the Issuer shall disclose to the shareholders meeting information about the conditions of acquisition of the respective shares and about the respective shareholder (shareholders);

6) if for the fulfilment of the option scheme new shares have not been issued, the total nominal value of the shares to be acquired for the fulfilment of the option scheme during one calendar year may not exceed 10% of the Issuer's share capital;

7) If, based upon resolution of the supervisory board, among the persons entitled to options there is one or more members of the supervisory board, the supervisory board shall pass the terms and conditions of the share option for approval to the shareholders meeting.

15.13.2. The terms and conditions of the share option which have been approved by the shareholders general meeting may be altered in the benefit of the holders of the options only upon respective resolution of the shareholders meeting, except the changes that are required in compliance with the respective legislation.

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

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

An issuer whose shares are listed on the Exchange lists, in compliance with the principle "comply or explain", shall disclose information on the implementation of the Corporate Governance Principles and Recommendations on their Implementation approved by the Management Board of the Exchange. The report on the implementation of the corporate governance principles shall be submitted by the Issuer to the Exchange together with an audited annual report.

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

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

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

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

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

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

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

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

16.3.1. The Issuer shall disclose to the Exchange, without delay, the information about the resolution of the authorised institution of the Issuer on calling and/or retirement of debt securities prior to maturity.

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

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

16.4.1. The Issuer shall disclose, without delay, information about any new issue of debt securities.

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

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

16.5.2. After adoption of the resolution, the Issuer shall submit to the Exchange, without delay, a certified copy of the resolution on the reduction in share capital adopted at the meeting.

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

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

Asset management companies shall have the obligation to disclose, without delay, to the Exchange all changes in the information and the documents which were submitted to the Exchange together with the application for the listing of the investment fund units on the Exchange.

### **17.2. Price of an investment fund unit**

Asset management companies shall inform the Exchange about the value of investment funds unit for the period determined in the agreement entered into between the asset management company and the Exchange.

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

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

### **17.4. Change of investment funds, asset management companies and custodian banks**

17.4.1. Asset management companies shall disclose information about the changes of their shareholders, members of the supervisory board and the management board, as well as about change of the fund manager.

17.4.2. Asset management companies shall inform, without delay, the Exchange about resolutions of the Commission that restrict the operations of the asset management company or revoke the license.

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

17.4.4. Asset management companies shall disclose, without delay, the fact of insolvency application against the asset management companies or the custodian bank.

### **17.5. Other information**

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

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

## **V. SURVEILLANCE**

### **18. General Provisions of Surveillance**

18.1. In the interpretation of these Rules, the term 'surveillance' shall mean the surveillance of the Issuers by the Exchange in compliance with the provisions of the Law and these Rules.

18.2. The Exchange may set up one or a number of institutions (committees) for Surveillance, delegating its Surveillance tasks to the said institutions in full or partially. In the latter case, the scope of authorities of the committee shall be determined herein. The general principles of work and organisation of work of the committee shall be set out in the regulation of the relevant committee that is subject to approval of the Council of the Exchange.

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

19.1. The obligation of the Exchange shall be to monitor on a daily basis conformity of activities of the Issuers to these Rules and whether they comply with resolutions, instructions, procedures and recommendations of the Exchange Management Board, and decisions taken by the Exchange Members and Issuers Surveillance Committee (hereinafter - the Surveillance Committee) established in accordance with Article 18.2 of the Rules.

19.2. In order to fulfil its obligations, the Exchange shall have the rights to:

- 19.2.1. request from the Issuers information and documents regarding the requirements for the Issuers and securities listing (including requirements in relation to a transaction prohibition on the grounds of insider information);
- 19.2.2. request from the Issuers other information necessary for its work in order to evaluate whether the Issuers and their activities conform to the provisions of the Exchange Rules and legislation.
- 19.2.3. copy and make excerpts from the documents and information provided by the Issuer.
- 19.3. The Exchange sets an obligation for all members, employees and representatives of the Exchange Management Board to observe for an unspecified time the confidentiality of all the information received in connection with the surveillance of the Issuers. This obligation shall not apply to publicly accessible information as well as the information which has to be disclosed in compliance with the requirements of regulatory acts and these Rules.

## **20. Surveillance Activities**

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

- 20.1.1. The Exchange shall give the right to place Issuers on surveillance status with the purpose to attract the attention of the market participants to some significant circumstance regarding a particular financial instrument or its Issuer.
- 20.1.2. Issuers shall be placed on surveillance status in the following cases:
  - 1) if the Issuer has commenced liquidation process or the Issuer's insolvency has been instituted;
  - 2) if the Issuer has admitted its insolvency or the Issuer has had permanent insolvency problems;
  - 3) if there are legal proceedings regarding a case which may materially influence the Issuer or its further activity;
  - 4) if the Issuer or the financial instruments issued by it and listed on the Exchange do not conform to the listing requirements under the Law and these Rules;
  - 5) if the Issuer fails to disclose the information to be disclosed on a regular basis as specified herein in due time and manner;
  - 6) if the Issuer repeatedly or materially violates the requirements on disclosure of information as specified herein;
  - 7) if a delisting application has been submitted or in the next six (6) months it is planned to perform activities in the result of which the financial instruments of the Issuer (except delisting of debt securities from the Exchange lists due to redemption) would be delisted;
  - 8) if the Issuer has not paid the listing fee within the time limit and in the amount specified by the Exchange and the payment is overdue for more than 6 months.
  - 9) if other circumstances influencing the Issuer's activity have occurred which may materially threaten the interests of the investors, and in cases when it is important to turn the attention of market participants to a substantial circumstance related to the relevant financial instrument or its Issuer;

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

- 20.1.3. The resolution on placing the Issuer on surveillance status shall be adopted by the Exchange Management Board.
- 20.1.4. If the Exchange Management Board adopts the resolution on placing the Issuer on surveillance status, the information system of the Exchange shall display a specific mark next to the relevant Issuer and its financial instruments, allowing the market participants to identify that the Issuer has been placed on surveillance status.
- 20.1.5. Placing issuers on surveillance status shall not apply restrictions on the trading with the financial instruments, as well as it shall not free the Issuer from the obligation to disclose information in compliance with the provisions of these Rules.
- 20.1.6. The Exchange shall immediately inform the Issuer if the Issuer and its financial instruments have been placed on surveillance status, sending to the Issuer information about the resolution and the justification for its adoption. If the Issuer wants to comment the resolution of the Exchange, the Issuer shall submit a public statement to the Exchange.
- 20.1.7. After the adoption of the resolution on placing on surveillance status the Exchange shall disclose, without delay, the notification about it in the information system of the Exchange, describing the circumstances justifying the resolution.
- 20.1.8. If the circumstances due to which the surveillance status was applied have ceased, the Exchange Management Board shall immediately adopt the resolution on removing the surveillance status from the Issuer and its financial instruments and inform the Issuer about the decision and publish a relevant notification in the information system of the Exchange.

## **21. Sanctions**

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

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

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

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

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

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

## **21.2. Issuing a warning**

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

## **21.3. Imposing a fine**

- 21.3.1. The Exchange shall have the right to impose a fine on the Issuer in the following cases:
- 1) if the interests of investors are or might be materially infringed due to the violation permitted by the Issuer;
  - 2) if the Issuer has not rectified the violation following a warning;
  - 3) if the Issuer repeatedly within 12 months violates the requirements on disclosure of information specified herein.
- 21.3.2. The Exchange shall have the right to impose a fine from LVL 50 to LVL 20,000 on the Issuers.
- 21.3.3. The resolution on imposing a fine on the Issuer may be taken by the Surveillance Committee. In the resolution, the Surveillance Committee shall determine the date until which the fine has to be paid.
- 21.3.4. In deciding on the amount of fine, the nature of the violation and its influence on regular and transparent operation of the market and other circumstances shall be assessed.
- 21.3.5. If the Issuer has not eliminated the violation in question during the period in which the Surveillance Committee is deciding on the imposition of a fine, the Surveillance Committee shall have the right to decide that the fine is to be paid for every day from the notification of the decision to the Issuer to the day on which the Issuer has eliminated the violation; however, the total amount of fine may not exceed LVL 20,000.
- 21.3.6. The Exchange shall inform the Issuer in writing about imposing a fine and the circumstances on the grounds of which the resolution has been adopted.

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

- 21.4.1. The Exchange shall have the right to take a decision on delisting of financial instruments of the Issuer from the Exchange upon initiative of the Exchange in the following cases:
- 1) if the Issuer or the financial instruments issued by it do not conform to the requirements specified in these Rules;

- 2) The Issuer has repeatedly or materially violated the provisions of these Rules;
  - 3) If the interruption of the trade with financial instruments of the Issuer has been longer than six months and if the Issuer has not taken measures to prevent the circumstances on the grounds of which trading was suspended;
  - 4) other circumstances in the result of which it is not possible to continue trading with the financial instruments of the Issuer in compliance with the procedure determined in these Rules have occurred;
  - 5) the Issuer has not paid the specified listing fee to the Exchange upon repeated notice
- 21.4.2. The Exchange shall have the right to decide on delisting of investment fund units from the Investment Fund List if the asset management company has violated the legislation and the requirements for the asset management companies set forth in these Rules.
- 21.4.3. The decision on delisting of financial instruments may be taken by the Management Board of the Exchange or the Surveillance Committee in accordance with the Law and these Rules.
- 21.4.4. Prior to taking the decision on delisting of financial instruments from the Exchange lists, the Exchange shall have the right to invite Management board members of the Issuer to a meeting of the Exchange Management Board or the Surveillance Committee to discuss the circumstances due to which the delisting of Issuer's financial instruments from the Exchange is to be considered or to discuss with them the measures to be taken to eliminate the failures and to give the Issuer a possibility to provide written explanations. The Exchange may set a time limit for the Issuer to eliminate the failures or to provide a relevant action plan.
- 21.4.5. The date of entering into force shall be specified in the decision of the Surveillance Committee on the delisting of financial instruments from the Exchange. The date of entering into force shall be set in accordance with the interests of investors.
- 21.4.6. The Exchange shall immediately inform in writing the Issuer about the delisting decision. In the notification, the Exchange shall specify the circumstances on the grounds of which the Exchange Surveillance Committee has taken the delisting decision.
- 21.4.7. The Exchange shall publish, without delay, the delisting decision in the information system of the Exchange.

(with amendments, approved on February 11, 2009, that come into force on February 13, 2009)

## **22. Arbitration**

22.1. All disputes arising between the Exchange and the Issuers and between the Issuers and which may not be solved by settlement between the parties shall be settled by the Arbitration Court of Latvian Commerce and Industry Chamber in compliance with the Regulation of the Arbitration Court or by the Commission if the dispute fall within the scope of its competence.

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

### **23. Closing Provisions**

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

### **Transitional Provisions**

1. To the Issuers whose shares were listed in the Free List as of the entering into force of these Rules, the following transitional provisions shall be applied:
  - 1) the Issuers shall be obliged to prepare the report on the compliance with corporative governance principles referred to in Article 15.14 as from the reporting year 2008 and submit it to the Exchange together with the Annual Report 2008. If the Issuer's reporting year is different than the calendar year, the Issuer shall submit the report together with the annual report on the period which ends in 2008.
  - 2) till 31 December 2008, the information referred to herein (except annual reports and interim financial reports) may be submitted by the Issuers only in Latvian.