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## **1. GENERAL PROVISIONS**

### **1.1. Scope of application**

- 1.1.1. This part of the Rules, "Requirements for Issuers" (hereinafter: "these Requirements") sets out requirements for issuers whose shares are listed on the Exchange or admitted to trading on regulated market (hereinafter also: Secondary List) and for issuers whose programme securities are conditionally listed or admitted to trading, as well as for companies applying for the listing or admitting to trading of their securities, incl. Investment funds and their management companies (hereinafter also: issuer and Issuers, unless if some of them are separately mentioned).
- 1.1.2. For the purposes of these Requirements, "shares" are understood as shares of public and also private limited companies, "shareholders" are understood as shareholders of public and also private limited companies, and "share capital" is understood as the share capital of public and also private limited companies, unless they are separately mentioned.

### **1.2. Information subject to disclosure**

- 1.2.1. On the basis of these Requirements Regulated information and any other information mentioned in these Requirements are subject to disclosure. The Issuer is obliged to secure the disclosure of such information in such a form and within such time limits as specified herein.
- 1.2.2. An Issuer is obliged to immediately disclose the details of any major changes in its business or other circumstances relating to the Issuer which are not directly specified in these Requirements, but which are not public knowledge and which may, by virtue of their effect on the Issuer's assets, liabilities, operations or reputation, affect price of its listed or traded securities.
- 1.2.3. The information disclosed by an Issuer shall be accurate, exact and unambiguous, its content must not be misleading and it shall not exclude or omit anything that may influence the substance or meaning of the information presented.
- 1.2.4. The Exchange may require that an Issuer provide comments and/or additional information about the information or the circumstances subject to disclosure by the Issuer or disclosed about the Issuer. The Issuer is obliged to submit the information required without delay.

### **1.3. Inside and Regulated information.**

- 1.3.1 For the purposes of these Requirements, inside information is information related to an Issuer or the Issuer's securities, directly or indirectly, which is not published and the disclosure of which may have a substantial effect on the price of its listed or traded securities or derivative instruments connected to those securities. For the purposes of these Requirements, confidential information includes without limitation information about the Issuer's business, management, securities, production, services or their market

conditions, the disclosure of which may have a substantial effect on the price of its listed or traded securities.

- 1.3.2 For the purposes of these Requirements, Regulated Information is used in accordance the meaning provided in Securities Market Act

#### **1.4. Foreign issuer**

- 1.4.1. These requirements shall be applicable to the Foreign Issuer for whom the Exchange is a Home Market, similarly to the requirements applicavle for Issuers, except unless provided otherwise.
- 1.4.2. These requirements shall be applicable for such Foreign Issuer whose securities were traded before their listing/taking for trading to the market organised by the Exchange or submission of a relevant application, at the regulated market of another contracting state, where standards for disclosure of information applicable in the European Community apply (hereinafter also: "Market of Origin") (socalled dual-listing) (hereinafter also: Foreign Issuer Traded Elsewhere), in the following manner:
- 1.4.2.1. These requirements are considered as met by the abovementioned Foreign Issuer Traded Elsewhere by meeting the requirements set forth in the Securities Market Act and Rules of the Market of Origin;
- 1.4.2.2. The Foreign Issuer Traded Elsewhere is obliged to forward information disclosed/subject to disclosure on the entire Market of Origin or other media channels for the purposes of supervision by no later than simultaneously in the banner established for the Exchange by the Exchange;
- 1.4.2.3. The Exchange shall have the right to request from a Foreignbn Issuer Traded Elsewhere additional information and/or additional comment regarding the circumstances of the information disclosed or subject to disclosure by or for them and the Foreign Issuer shall be obliged to forward the required information to the Exchange without delay;
- 1.4.2.4. All financial indicators shall be expressed in at least original currency;
- 1.4.2.5. Stock notices and financial reports shall be published in language(s) set forth in the law;
- 1.4.2.6. In the event of violation of these requirements, the Exchange shall have the right to request from the Foreign Issuer an explanation regarding the violation and impose sanctions according to the provisions of Article 10 of These Requirements and apply other measures according to the provisions of sections "Supervision" and "Contractual Penalties" of the Rules. In the case of violation, the Exchange shall notify the organiser of the Market of Origin of the violation.
- 1.4.3. If trading with the securities of a Foreign Issuer Traded Elsewhere mentioned in section 1.4.2. at the market(s) of other contracting state(s) is ended due to any circumstances and the market organised by the Exchange becomes the only market where the securities of the mentioned Foreign Issuer are traded, provisions of section 1.4.1. shall apply for this Foreign Issuer.

## **2. DISCLOSURE OF INFORMATION**

### **2.1. Disclosure obligations of Issuer**

- 2.1.1. Members of the supervisory board and management board of an Issuer are under the obligation to scrutinise on an on-going basis, within the scope of their competence, all the events and changes taking place in the Issuer's operations to assess what information is subject to immediate disclosure in accordance with these Requirements.
- 2.1.2. An Issuer shall appoint a person responsible for the disclosure of information, whom the Exchange can contact when necessary. The Issuer shall immediately notify the Exchange of a substitution (temporary or permanent) of that person.
- 2.1.3. An Issuer shall consider in its operations that the time of disclosure of information about a transaction/act/event in the Issuer's operations or otherwise related to the Issuer does not depend on the performance of any formalities necessary for its occurrence and disclosure of information shall not be delayed with the excuse of waiting for an event or circumstance to become public. If the event has occurred or its occurrence is likely, but the formalities necessary for the occurrence of the event, or any other formalities, have not been performed at the moment of disclosure of information, or if another condition or risk relates to the occurrence of the event, such facts shall be presented along with the information being disclosed.
- 2.1.4. If the Issuer is of the opinion that the information required by the Exchange or to be disclosed according to these Requirements contains the Issuer's business secrets or that disclosure may otherwise damage the interests of the Issuer, the Issuer may apply to the Exchange not to disclose such information. The application presented to the Exchange shall contain the information non published or required by the Exchange and a reasoned explanation by the Issuer of the reasons why the Issuer does not wish to make the information public.
- 2.1.5. An Issuer is required to disclose all the information on the Issuer subject to disclosure pursuant to the provisions of these Requirements, including information on any significant subsidiaries belonging to the same group as the Issuer. For the purposes of these Requirements, a subsidiary is deemed to be significant if its balance sheet total, sales, profit or loss from operations according to the latest annual report accounts for ten (10) per cent or more of the consolidated balance sheet total, sales, profit or loss from operations of the group. This clause does not apply to the management companies
- 2.1.6. An Issuer is required to inform the significant subsidiaries belonging to the same group as the Issuer of all the provisions of these Requirements and guarantee the compliance of the subsidiaries with these Requirements. This clause does not apply to the management companies.

- 2.1.7. An Issuer is required to ensure that no undisclosed inside information that may affect the price of listed securities is made known to unauthorised persons before such information is made public through the Exchange Information System. For the purposes of these Requirements, people authorised to have access to inside information are people who need such information for the performance of their ordinary duties, and person whose entitlement to such information arises from the provisions of legislation. Persons, being in possession of confidential information are insiders.
- 2.1.8. An Issuer shall not disclose information subject to disclosure according to these Requirements including inside information by any means through other channels including in reports, comments, interviews or other means until such information has been made public through the Exchange Information System except in cases when it is prescribed by the law. An Issuer is required to ensure that such information is made public by means provided in clause 2.4 of these Requirements.
- 2.1.9. An Issuer is required to ensure that any information the Issuer intends to disclose to the holders of its listed securities is made public through the Exchange Information System not later than it is disclosed to the holders of securities.
- 2.1.10. If an Issuer learns that any information subject to disclosure on the basis of these Requirements has become available to unauthorised persons before its intended disclosure through the Exchange Information System, the Issuer shall immediately disclose such information in accordance with the provisions of these Requirements.
- 2.1.11. If, upon the occurrence of circumstances described in article 2.1.10, the Issuer needs additional time for compiling a notice to be sent to the Exchange, the Issuer shall, without delay, inform the Exchange of the Issuer's intention to disclose information soon which may have an effect on the price of listed or traded securities. The statement communicated to the Exchange shall contain a description of the content of the information the Issuer intends to disclose.
- 2.1.12. If the Exchange is of the opinion that information specified in clause 2.1.10 may lead to a substantial movement in the price of the Issuer's listed securities, the Exchange may temporarily suspend trading in that security, until the Issuer has made a full disclosure of the information.
- 2.1.13. An Issuer whose securities are listed on other stock exchange(s) or admitted to trading on other regulated market must ensure that the information disclosed by the Issuer is made public on the Exchange not later than it is made public on the other exchange(s) or regulated markets where the Issuer's securities are listed or traded.

## **2.2. Rectification of information**

- 2.2.1. Whenever an Issuer becomes aware of any rumour or report about the Issuer, true or false, that contains information that is likely to have, or has had, an effect on the price of its securities, the Issuer is required to immediately comment on the rumour or report by submitting a respective notice to the Exchange.
- 2.2.2. Issuer shall publish the disclosure regarding every significant change or amendment in the information already published earlier; Issuer shall also publish the disclosure regarding information which Issuer announced to publish in earlier disclosures or other public ways

### **2.3. Prohibition on manipulating with market**

It is prohibited to disclose incorrect, non-complete or other misleading information about an Issuer, its operations, economic situation, work organisation, competitive situation, future prospects or other circumstances directly or indirectly related to the Issuer which may affect the price of securities.

### **2.4. Methods of disclosure**

- 2.4.1. Information is deemed disclosed in accordance with these Requirements when made public as a notice through the Exchange Information System.  
  
In case when the Issuer publishes such information through other media channels, the information must be published through the Exchange Information System at the latest simultaneously with making it public through other channels.
- 2.4.2. The Exchange may require that information be made public through other media channels either simultaneously or after it has been made public through the Exchange Information System, provided that this does not cause the Issuer any unnecessary or unfairly burdensome expenses.
- 2.4.3. The Issuer is obliged to submit the information subject to disclosure to the Exchange in electronic form in accordance with the procedure established by the Exchange.
- 2.4.4. Upon disclosing information, the Issuer is obliged to guarantee that all the financial details are simultaneously specified in euros and original currency. The Issuer is obliged to apply the official central rate in recalculations.
- 2.4.5. All notices and financial reports shall be made public in Estonian and in English. Foreign Issuers shall publish notices and financial reports in language(s) specified in the law.
- 2.4.6. *Repealed*

- 2.4.7. If an Issuer communicates its notices to the Exchange also in some other languages, in addition to the above-mentioned, which is publishable in the trading system the Exchange shall make such notices public also in this language.
- 2.4.8. If possible, an Issuer shall make public all the notices intended for disclosure in different languages simultaneously, but not later than on the following trading day.
- 2.4.9. *Repealed*

### **3. INFORMATION SUBJECT TO DISCLOSURE BY ISSUER**

#### **3.1. Amendments to Issuer's articles of association**

Any amendment to the Issuer's articles of association proposed for ratification to the general meeting of shareholders shall be communicated in draft form to the Exchange not later than in the same time the notice of the general meeting is sent to shareholders.

#### **3.2. Changes in Issuer's management, procurators, members of audit committee and auditors**

3.2.1. An Issuer shall immediately disclose information on any changes in the composition of the management board, the supervisory board and audit committee, or any change of auditors or procurators. An Issuer is also required to send a notice to the Exchange if any person specified in this clause has applied for resignation from his or her position and if an agreement has been reached with a person to be employed in any of the positions specified in this clause.

3.2.2. If a new person is elected or appointed to the management board or supervisory board of an Issuer, the Issuer is required to disclose a short description of the previous three years' professional experience and occupations in managements of the companies of the person as well as information about the number of the Issuer's shares with voting rights held by the person. The provisions of the Securities Market Act shall be observed upon calculating the number of voting rights.

#### **3.3. Change of address or seat of Issuer**

An Issuer is required to immediately disclose information about changes in its address or seat.

#### **3.4. Changes of paying agent**

3.4.1. An Issuer is required to disclose information about any change in its paying agent in advance. The seat of at least one paying agent of an Issuer must be in Estonia.

3.4.2. For the purposes of the Rules, a paying agent (maker of payments) is understood as a representative of the Issuer who has been authorised to effect payments arising from the Issuer's securities on behalf of the Issuer.

#### **3.5. Changes in rights of investors**

3.5.1. An Issuer is required to ensure fair and equal treatment of all the holders of the Issuer's listed securities of the same class in accordance with legislation and the issue terms of the securities.

3.5.2. An Issuer shall immediately disclose information on any proposed changes in the rights or obligations of holders of securities, including any changes in the conditions of debt securities, convertible bonds or any securities into which any convertible bonds are convertible (underlying securities).

**3.6. Closing of list of holders of securities (record date)**

- 3.6.1. The purpose of closing the list of the holders of securities (fixing the record date) is to determine the persons who are the subjects of the creation, amendment or termination of the rights attached to the securities, i.e. who are entitled to exercise the rights attached to the securities.
- 3.6.2. The list of holders of securities shall be closed at 23.59 hours on the record date determined by the Issuer. The record date may not be fixed at an earlier date than 10 (ten) trading days after the date of the general meeting of shareholders that adopted a resolution on the nature or of any created, amended or terminated rights attached to the securities or on the extent of such rights (rights granted to security holders or the scope thereof). An Issuer is required to disclose information about closing the list of holders of securities at least 9 (nine) trading days before of the record date.
- 3.6.3. Information to be disclosed about the record date shall also include all the relevant information about the rights created, amended or terminated as of such record date, as provided in these Requirements.
- 3.6.4. For the purposes of these Requirements, rights attached to securities are understood as all the rights granted to the holders of securities by the applicable legislation, the Issuer's articles of association and the conditions of (issue of) the securities. Amongst others things, in the case of shares, such rights may include a right to participate in the management and in the distribution of profits of the public limited company, a pre-emptive right to subscribe to new shares, a right to participate in a bonus issue and a right of conversion of securities. In the case of debt securities, such rights may include, amongst others things, a right to receive interests and to demand the redemption of the debt securities, as well as the right of conversion of the debt securities.
- 3.6.5. Before the beginning of trading on the date which is three (3) days prior to the record date, the Exchange shall announce, through the Exchange Information System, that as a result of transactions with the exercise term T+3 carried out on the trading day about to begin (cum date), the buyer shall also acquire, upon effecting (finalising) the transaction, the rights and obligations of which the Issuer previously notified the Exchange, because the said transactions will be finalised before the record date.
- 3.6.6. If as a result of a transaction effected on such a date a buyer does not receive the bought securities on their account by the record date, the buyer may claim from the seller compensation for the rights attached to the securities.
- 3.6.7. If an Issuer does not fulfil its obligation as stipulated in clause 3.6.2 and is late in providing notice of the record date, the Issuer shall postpone the record date and publish a respective notice, if required by the Exchange.

**3.7. Purchase, transfer and acceptance as security of own securities**

An Issuer shall disclose information about any purchases, transfers and acceptances as security of its own securities, by specifying the reason for the transaction, unless the transaction is made on the basis of a resolution of the general meeting. An Issuer who is simultaneously a member of the Exchange is not further obliged to disclose such transactions if made for the purpose of providing investing services within the meaning of the Securities Market Act.

**3.8. Court or arbitration proceedings**

The Issuer is obliged to immediately disclose information of any court or arbitration proceedings initiated by or against the Issuer, as well as of any court judgment or regulation or arbitration award, interim or final, whether or not having entered into force, that do or may have an effect on the price of the Issuer's listed securities.

**3.9. Bankruptcy and dissolution of Issuer**

3.9.1. An Issuer is obliged to immediately disclose information about a decision of the Issuer, its parent undertaking or significant subsidiary to file a bankruptcy petition of a debtor with a court.

3.9.2. An Issuer is obliged to immediately disclose information about the filing of a bankruptcy petition against the Issuer, its parent undertaking or significant subsidiary.

3.9.3. An issuer is obliged to immediately disclose information about the declaration of the bankruptcy or moratorium of the Issuer, its parent undertaking or significant subsidiary.

3.9.4. An issuer is obliged to immediately disclose information about the intention to submit the question on the decision of termination or liquidation of the Issuer to the competent body of the Issuer.

**3.10. Listing on other stock exchanges**

An issuer is obliged to disclose information about seeking the admission of securities for listing/trading on the markets regulated by the Exchange simultaneously with another stock exchange or regulated market, as well as about the satisfaction or dismissal of the admission application and about delisting or cancellation of trading.

**3.11. Exceptions concerning information related to negotiations**

3.11.1. An Issuer need not disclose information about the progress of business negotiations. An Issuer may give such undisclosed information confidentially to persons with whom it is holding or intends to hold business negotiations.

3.11.2. An Issuer is also allowed to give information in confidence to future underwriters, and to its advisers, auditors, legal counsels and legitimately interested state agencies.

3.11.3. An Issuer must ensure that the recipients of information specified in clauses 3.11.1 and 3.11.2 are aware of the confidentiality of the information given to them and their prohibition on misuse of the inside information, incl. trading in the Issuer's securities until the information has been made public and also about relevant sanctions.

3.11.4. If an Issuer has reason to believe that a breach of such confidence has occurred or is likely to occur, the Issuer shall disclose all such information in accordance with the provisions of clauses 2.1.10 and 2.1.11.

3.11.5. An Issuer is required to disclose information about business negotiations that may have an effect on the price of the listed securities immediately after the parties have come to an agreement on the significant terms of the transaction which is the subject of the negotiations.

### **3.12. Information of compliance with the Corporate Governance Recommendations Code**

An Issuer of Shares shall disclose information about its compliance with the Corporate Governance Code under the "comply or explain" principle and also the Corporate Governance Recommendations Report according to terms and conditions provided in this Corporate Governance Code.

## **4. HANDLING OF INSIDE INFORMATION**

### **4.1. Insider**

4.1.1. In addition to the legal acts, for the purposes of these Requirements, a person in possession of confidential information (insider) is understood as:

4.1.1.1. a member of the management board or supervisory board, a procurator or auditor of the Issuer, of an undertaking that has a qualifying holding in the Issuer's share capital, and a significant subsidiary of the Issuer;

4.1.1.2. a significant subsidiary of the Issuer or a person who has a qualifying holding in the Issuer's share capital or belongs to the same group with the Issuer;

4.1.2. For the purposes of these Requirements, a person is deemed to have a qualifying holding when that person holds or controls ten per cent (10%) or more of the votes represented by the Issuer's shares. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act.

Repealed

4.1.4. The misuse of inside information is prohibited.

### **4.2. Persons connected with insiders**

For the purposes of these Requirements, persons connected with insiders are understood as the cohabiting spouse of the insider, minor child of the insider and a person who has shared a household with insider for at least a year as at the time of the information, as well as companies in which a member of the management or supervisory board, auditor or procurator of the Issuer or one of the connected persons, defined above have a majority of votes or is otherwise able to control the operations of the company, as well as other persons who may be regarded as persons connected with insiders as determined by the Exchange in any specific case.

### **4.3. Obligations of Issuer**

4.3.1. At the request of the Exchange, an Issuer is required to submit to the Exchange the list of insiders, kept in accordance with the Securities Market Act,

- 4.3.2. An Issuer is required to inform all the persons, who, pursuant to clause 4.1 of these Requirements, are in possession of confidential information, of the provisions of these Requirements and to require such persons to act in accordance with these Requirements.
- 4.3.3. An Issuer is required to ensure that inside information is accessible only to the persons who are under an obligation to keep such information confidential and who need such information to perform their ordinary work duties or assignments, and to persons whose entitlement to demand such information arises from the provisions of legislation. An Issuer is obliged to take measures to prevent unauthorised persons from obtaining inside information.

**4.4. Prohibition on effecting transactions on the basis of inside information**

4.4.1. *Repealed*

4.4.2. *Repealed*

4.4.3. *Repealed*

4.4.4. The Exchange may request statements about transactions in the Issuer's securities from the Estonian Central Depository of Securities.

**4.5. Restrictions on members of management board, supervisory board, and procurator of Issuer to effect transactions with Issuer's securities**

4.5.1. Members of the management board, the supervisory board, and procurators of the Issuer and persons connected with them are not allowed to effect transactions in the Issuer's securities with a view to profiting from short-term price fluctuations of the Issuer's securities. Such transactions are understood as transactions by which a person acquires and transfers (regardless of the sequence of the transactions) substantially similar quantities of the Issuer's securities within 1 (one) month.

4.5.2. Members of the management board and the supervisory board and procurators of and Issuer and persons connected with them are not allowed to effect transactions in the Issuer's securities for their own account or through an intermediary during a period starting one (1) week before to the end of the reporting period and ending one day after the disclosure of the financial results of the Issuer for the reporting period (*closed window*). If the Issuer is obliged to submit consolidated reports to the Exchange according to the provisions of these Requirements, the mentioned period ends on the day following the date of disclosure of the consolidated reports. For the purposes of these Requirements, a reporting period is understood as the period during which an Issuer regularly forwards to the Exchange the balance sheet and/or the income statement of the Issuer or its significant subsidiaries.

4.5.3. On the basis of a person's written application, the Listing Committee of the Exchange may grant exceptions to the restriction set out in clause 4.5.2 of these Requirements, if the Listing

Committee believes that the transaction is not effected on the basis of inside information.

- 4.5.4. Further to transactions effected by members of the management board or supervisory board or management or the procurator of the Issuer and the persons connected therewith, transactions made for the account of companies that may be treated as companies controlled by any such person or persons in accordance with the provisions of the part of the Rules titled "Listing Rules", are also regarded as transactions effected by the said persons.
- 4.5.5. The restriction stipulated in clause 4.5.2 of these Requirements does not apply to the exercise of pre-emptive rights upon subscription for new shares, transactions made to accept a takeover bid, participation in a bonus issue, and transfer of pre-emptive subscription rights furthermore for establishing securities as a guarantee in loan transactions. Neither does the prohibition apply to the exercise of rights arising from share options given by the Issuer to managers and employees.

#### **4.6. Registration of transactions effected by insiders**

4.6.1. *Repealed*

4.6.2. *Repealed*

4.6.3. The chairman of the management board of the Issuer is required, at the request of the Exchange, to submit to the Exchange information on the of Issuer's securities with voting rights held by the members of the management board and the supervisory board and procurators of the Issuer and by persons connected therewith. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act.

## **5. FINANCIAL REPORTS**

### **5.1. Reporting**

- 5.1.1. The Issuer's annual reports and interim reports subject to disclosure shall be prepared using the accounting policies and methods that comply with international accounting standards applicable in the European Community, and contain the information required by the provisions of the Rules and the instructions established by the Exchange.
- 5.1.2. Where the international accounting standards applicable in the European Community allow for the use of alternative methods in preparing the reports or presenting financial information in the reports, the resident Issuer is obliged to proceed from those methods that comply with the applicable legislation of the Republic of Estonia and the provisions of the instructions of the Accounting Board of the Republic. Reporting by a non-resident Issuer shall conform to the international accounting standards applicable in the European Community.
- 5.1.3. The Issuer is obliged to make the balance sheet and income statement public in the form of a comparative table comparing the information to that of the same period of the previous financial year for income statement and the previous audited financial year for balance sheet.
- 5.1.4. If an Issuer changes the calculation scheme or methods used in compiling the financial reports to be disclosed, the Issuer is obliged to comment on the changes in the notes to the reports, indicating the reason for the changes and their effect on the outcome of both the current period and the previous comparable period.
- 5.1.5. If an Issuer is the parent company of a group of companies, the Issuer is obliged to make public the consolidated financial reports for the whole group.
- 5.1.6. If an Issuer compiles the reports on the parent company in addition to the consolidated financial reports, the Issuer is obliged to make such reports public according to the procedure set out in these Requirements.
- 5.1.7. At least the comments on the economic results, the balance sheet and income statement shall be made public as a notice sent to the Exchange. The full financial statements (the annual report and the interim report) shall be sent to the Exchange in electronic form for publication on the Website of the Exchange.
- 5.1.8. If the securities of an Issuer's parent undertaking or significant subsidiary are listed on another stock exchange or admitted to trading on another regulated market, the Issuer shall ensure that the reports of these companies are made public on the different exchanges or markets simultaneously (without unreasonable delay).

### **5.2. Comments on economic results**

- 5.2.1. The comments on the economic results made public as a exchange news by an Issuer shall contain:
  - 5.2.1.1. information needed for a complete and objective assessment of the operations and financial results for the accounting period, including information on extraordinary income and/or expenses;
  - 5.2.1.2. a description of any significant circumstances that have influenced the operations or financial results of the Issuer during the accounting period;
  - 5.2.1.3. information on any changes in the Issuer's operations and financial results during the accounting period, with a description of the circumstances that caused the changes.
- 5.2.2. Together with the income statement, the Issuer is required to disclose the regular and diluted net earnings per share ratio based on the results for the accounting period.

### **5.3. Annual report**

- 5.3.1. An Issuer is required to make public the audited annual report immediately after its approval by the supervisory board but not later than four (4) months after the end of the accounting period. In addition to the data required by the legislation, the annual report shall include information subject to disclosure in the notes to the annual report in accordance with the International Financial Reporting Standards and Corporate Governance Recommendations.
- 5.3.2. An Issuer is required to present the following information in the annual report amongst other things:
  - 5.3.2.1. information on circumstances that caused the Issuer's financial results differ by more than 10% from the most recently disclosed forecasts, if this is the case;
  - 5.3.2.2. information on the seat and amount of equity of significant subsidiaries, also about the voting rights and direct and indirect holding of companies belonging to the same group as the Issuer in these subsidiaries. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act;
  - 5.3.2.3. the number of Issuer's shares held by the members of the management board and supervisory board of the Issuer, as well as by the persons connected therewith, as of the end of the financial year, indicating the data separately for each member of the management board and supervisory board. Shares to be acquired by these persons under share options in future periods shall be indicated separately. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act;
  - 5.3.2.4. a list of shareholders holding more than five per cent (5%) of the Issuer's votes represented by shares as of the end of the year. Voting rights shall be calculated in accordance

with the provisions of the Securities Market Act. If there are no such shareholders, a confirmation to that effect shall be made;

- 5.3.2.5. information on the valid resolutions of the general meetings of shareholders, which give the Issuer the right to acquire its own shares or accept them as security. If the Issuer has acquired or financed the acquisition of its own shares or their acceptance as security during the financial year, information shall be presented on the number of shares acquired or accepted as security, the conditions of the acquisition or acceptance as security, and the price paid for the shares. If the shares are not acquired by a stock exchange transaction from the secondary market, information shall be presented on the sellers of the shares, the method of acquisition and the sums paid;
- 5.3.2.6. if shares are subscribed for and/or issued by excluding the pre-emptive right of the current shareholders and if the conditions of such issue were not approved by the general meeting of shareholders, the names of the persons who acquired the shares, the number of shares subscribed/acquired by each person, and the amount of premium shall be indicated. The Issuer is obliged to submit the same information about its significant subsidiaries;
- 5.3.2.7. information on transactions made with persons connected with the Issuer or its significant subsidiary during the financial year in accordance with the provisions of these Requirements that regulate the disclosure information on transactions made between such persons;
- 5.3.2.8. information on any unexpired share options granted during the financial year to members of the Issuer's management board and supervisory board, along with information on the management board and supervisory board members who are entitled to exercise the options.
- 5.3.2.9. information on trading statistics and price movements of the securities of Issuer on exchanges or regulated markets on which the securities of Issuer are listed/traded, during reporting period.
- 5.3.3. After the annual report is made public, it shall be available to investors in addition to the Internet also at the Issuer's seat. If required, the Issuer shall allow to make copies of the annual report.
- 5.3.4. If an Issuer discusses its anticipated developments for the following financial year in the annual report, the Issuer is required to provide such information in the annual report in accordance with clause 5.6.1 of these Requirements.
- 5.3.5. If the net profit disclosed in the audited annual report differs by more than 10% from the net profit indicated in the preliminary annual accounts, the Issuer shall immediately disclose this fact by describing the circumstances that caused the difference.

#### **5.4. Interim reports**

- 5.4.1. The Issuer is obliged to publish interim reports on its operations and financial results for 3 months, 6 months (semi-annual report), 9 months and 12 months of the financial year (preliminary annual accounts), consisting also data of last quarter of the period.
- 5.4.2. An issuer of debt securities who is a company and an investment fund shall publish semi-annual interim reports on their operations and financial results for 6 months and 12 months of the financial year (preliminary annual accounts), consisting also data of relevant half-year.
- 5.4.3. An interim report shall be prepared using the same accounting principles and presentation of information as those used in the Issuer's latest annual report (except for changes the necessity of which results from the provisions of the applicable legislation)."
- 5.4.4. A report made public shall contain information on whether the report has been audited or not.
- 5.4.5. The Issuer is obliged to make public an interim report immediately after its preparation by the management board, but no later than two (2) months after the end of the reporting period. In exceptional cases, the Exchange may extend the deadline for 3 months and 9 months report based on the written application of the Issuer.
- 5.4.6. The information presented in an interim report shall be sufficiently detailed to avoid the presentation in the annual report of substantially new information which was not included in the interim report for the respective period and which may have a significant effect on the price of the Issuer's securities.
- 5.4.7. The Issuer is obliged to make public interim reports either as full financial report or shortened financial report accompanied by the operating report and the management declaration and in which the accounting principles and whose accounting principles and presentation of information complies with the international financial reporting standards applicable in the European Community.

## **5.5. Auditor's report**

- 5.5.1. The Issuer is obliged to make public in full the auditor's report together with the annual report or review prepared by the auditors.
- 5.5.2. The auditor's report shall contain an assessment of the conformity of the Issuer's reports with the accounting legislation and International Financial Reporting Standards.
- 5.5.3. An Issuer shall, however, make public the auditor's report immediately if the auditor or auditors:
  - 5.5.3.1. have made a significant remark on the basis of the audit conducted; or
  - 5.5.3.2. have issued a negative conclusion on the basis of the audit conducted; or

- 5.5.3.3. have made a report in which they do not provide an assessment; or
- 5.5.3.4. find that the reports prepared by the Issuer for the ended financial year did not conform to the accounting legislation or International Accounting Standards applicable in the European Community

## **5.6. Forecasts of financial results**

- 5.6.1. If an Issuer makes public a forecast of the financial results for the following reporting period or periods, the Issuer shall explain the forecast and describe the circumstances and assumptions on which the forecast is based. If the forecast financial results include any extraordinary income or expenses known to the Issuer, the Issuer is obliged to indicate such income or expenses separately.
- 5.6.2. If, after the publication of the Issuer's forecast of the financial results there is reason to believe that the disclosed forecast differs from the actual financial results for the period by more than 10%, the Issuer is required to immediately adjust the forecast and explain the reasons which have caused the deviation from the forecast. If the assumptions on which a previously published forecast was based cannot be realised as planned, the Issuer is required to disclose the relevant information.

## **6. CHANGES IN ISSUER'S BUSINESS**

- 6.1. An Issuer is required to immediately disclose any circumstances and events which have, or may have, a substantial effect on the business operations or financial situation of the Issuer. Such circumstances may include amongst other things:
- 6.1.1. transactions with fixed assets which are beyond the scope of day-to-day operations;
  - 6.1.2. significant fluctuations in the prices of any goods or services that are of material importance to the Issuer;
  - 6.1.3. the conclusion, termination or cancellation of contracts important for the Issuer, material breaches of contracts by and in respect of the Issuer;
  - 6.1.4. the entrance to a new market with the Issuer's products or services, loss of or withdrawal from any markets;
  - 6.1.5. investments beyond the scope of day-to-day operations;
  - 6.1.6. an intended merger, division or transformation and offers made to the Issuer to purchase all or a single class of its shares or of its significant subsidiary's shares, and the response of the Issuer to such an offer;
  - 6.1.7. an agreement concluded with another company concerning the launch of a joint-venture or a joint project if the agreement is beyond the scope of day-to-day operations;
  - 6.1.8. a major reorientation of the Issuer's field or sphere of operation.
- 6.2. For the purposes of these Requirements, transactions or investments or project beyond the scope of day-to-day operations or with significant importance are understood as transactions of the Issuer or its subsidiary for which the sum paid or to be received for assets, including the market value of assets or securities and the debts or loans assumed by the Issuer are equal to or exceed 10% of the Issuer's equity according to the latest audited consolidated balance sheet.
- 6.3. An Issuer is obliged to disclose the following information about transactions which are beyond the scope of day-to-day operations:
- 6.3.1. a description of the transaction and its effect on the operations and financial indicators of the Issuer;
  - 6.3.2. sums to be received or paid under the transaction, including sums to be received or paid in the following periods, the payment conditions and payment schedule.
- 6.4. An issuer is obliged to disclose immediately information about any other circumstance, event or transaction not specified in clause 6.1 which may significantly affect the Issuer's financial situation, operations, performance expectations, or which may otherwise have a significant effect on the price of the Issuer's securities.

## **7. SPECIAL REQUIREMENTS FOR ISSUERS OF SHARES**

### **7.1. Applicability of general provisions to Issuers of shares**

In addition to the obligations arising from the law all the provisions of clauses 1–7 and 10 apply to Issuers of shares.

### **7.2. General meeting**

7.2.1. An issuer is obliged to disclose immediately information about a decision on the date of the general meeting of shareholders. An issuer is required to disclose all the important materials concerning the agenda of the general meeting.

7.2.2. Important information announced at the general meeting shall be made public through the Exchange Information System at latest together with the resolutions of the general meeting.

7.2.3. An Issuer is required immediately disclose all the resolutions adopted by the general meeting.

7.2.4. An issuer is obliged to disclose immediately information about convening a special general meeting, indicating, amongst other things, the reasons and the initiators of the extraordinary general meeting. The provisions of these Requirements concerning regular general meetings shall apply to extraordinary general meetings as regards the announcements made and the resolutions adopted at the general meeting.

### **7.3. Dividends**

7.3.1. When the management board or supervisory board of an Issuer has decided the amount of dividends to be recommended to the annual general meeting, or has decided to make a proposal not to pay dividends, the Issuer must immediately disclose the resolution.

7.3.2. If the management board or supervisory board proposes the general meeting to pay dividends, the notice sent to the Exchange shall contain at least the following:

7.3.2.1. the intended record date;

7.3.2.2. the amount of dividend to be paid per share.

7.3.3. At least the following information shall be made public along with the notice of a resolution of the general meeting to pay dividends:

7.3.3.1. the intended record date;

7.3.3.2. the amount of dividend to be paid per share;

7.3.3.3. the date of payment of the dividends.

7.3.4. The provisions of clause 3.6 of these Requirements apply to the determination and disclosure of the record date.

## **7.4. Increase of share capital**

- 7.4.1. An issuer is obliged to immediately disclose information about a planned increase of the share capital of the Issuer and disclose the notice sent to shareholders on convening the general meeting where the increase will be discussed.
- 7.4.2. If the share capital is increased by the issue of new shares with the pre-emptive right of current shareholders to subscribe for the new shares, the notice convening the general meeting sent to shareholders shall include the following information in addition to the information required by the Commercial Code:
  - 7.4.2.1. the record date for determining the shareholders with pre-emptive rights;
  - 7.4.2.2. information on the financial year as from which the issued shares will entitle the holder to dividends;
  - 7.4.2.3. an explanation about the exercise of the pre-emptive right if the number of shares held by a shareholder does not entitle the shareholder to subscribe for a full number of shares;
  - 7.4.2.4. if a contract will be concluded with an underwriter of the issue, a description of the important conditions of the contract;
  - 7.4.2.5. the time of payment for the shares subscribed for;
  - 7.4.2.6. a description of the consequences of undersubscription or oversubscription.
- 7.4.3. If a proposal to bar the pre-emptive right of existing shareholders is planned to be made to the general meeting, the notice convening the general meeting shall include information about the person at whom the issue will be aimed.
- 7.4.4. If one shareholder holds more than 50% of the votes represented by the Issuer's shares, the Issuer is obliged, upon issuing shares of the same class as those already listed on the Exchange and the pre-emptive rights to subscribe for which are ruled out by the shareholders, to ensure that the subscription price of the new issue is determined so that it is not significantly below the market price of the listed securities. The restriction set out in this clause does not apply to the selling price of shares issued to employees in order to exercise their share options. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act.
- 7.4.5. Based on an Issuer's written application, the Listing Committee may grant exceptions to the requirements set out in clause 7.4.4 if the Listing Committee is convinced that the issue of shares at a price significantly below the market price is caused by the financial situation of the Issuer or is otherwise justified.

- 7.4.6. For the purposes of these Requirements, the issue price of shares is considered to be significantly below the market price if the issue price of new shares more than ten per cent (10%) lower than the average closing price for the ten (10) trading days prior to the date when the issue price is determined.
- 7.4.7. An Issuer is required to disclose immediately the resolution on the increase of share capital. The resolution of the general meeting or supervisory board being disclosed shall also contain resolutions in the matters specified in clauses 7.4.2.1–7.4.2.6 further to the details required by the Commercial Code.
- 7.4.8. If share capital is increased by way of a bonus issue, the notice convening the general meeting of shareholders as well as the resolution on the increase of share capital to be disclosed shall contain the following information further to the details required by the Commercial Code:
- 7.4.8.1. the number of new shares issued or the extent to which the nominal value of the existing shares is increased;
  - 7.4.8.2. the record date for participation in the bonus issue;
  - 7.4.8.3. the date of transfer of the new shares into securities accounts or the date when the nominal value of shares is increased.
- 7.4.9. If a bonus issue is conducted by the issue of new shares, the proposal to the general meeting of shareholders shall include the following information further to the information stipulated in clause 7.4.8:
- 7.4.9.1. the financial year as from which the shares entitle the holders to dividends;
  - 7.4.9.2. how a shareholder's right to the new shares is compensated for if the shares held by the shareholder do not entitle the shareholder to a full number of shares.

## **7.5. Reduction of share capital**

- 7.5.1. An issuer is obliged to disclose information about an intended reduction of the share capital and make public the notice convening the general meeting in which the reduction of share capital will be discussed. Further to the information required by the Commercial Code, the notice convening the general meeting shall include the following information:
- 7.5.1.1. the record date for participation in the reduction of share capital;
  - 7.5.1.2. if the reduction of share capital is conducted by cancellation of the issued shares, a description of the principles of determining the number of shares to be cancelled and which shares are to be cancelled.

7.5.2. An Issuer is required to disclose immediately a resolution on the reduction of share capital. Further to the information required by the Commercial Code, the disclosed resolution shall contain resolutions in the matters specified in clause 7.5.1.

### **7.5.3 Changing the nominal value of shares**

Upon changing the nominal value of shares without changing the share capital, i.e. upon reducing the value of shares without reducing the amount of share capital (split) or upon increasing the value of shares without increasing the amount of share capital (reverse-split), the Issuer is required to disclose information on the date of the split or reverse-split in accordance with the procedure and deadlines set out in clause 3.6.

## **7.6. Debt securities**

An Issuer, except for an Issuer that is a credit or financial institutions with regard to those issues of debt securities that can be considered daily economic operations of the Issuer, is obliged to disclose information about the intended issue of debt securities. The disclosed information shall contain at least the following details:

7.6.1. the number, nominal value, maturity and interest rate of the debt securities to be issued;

7.6.2. any guarantee or security given in respect of performing the obligations arising from the Issuer's debt securities;

7.6.3. the subscription conditions and issue price of the debt securities.

## **7.7. Subscription for shares and debt securities**

7.7.1. In the case of a share issue through public offering or by exercising pre-emptive rights, an Issuer is advised to conduct the subscription through the account operator or operators of the Estonian CSD in accordance with the procedure established by the Estonian CSD.

7.7.2. After the close of the subscription period, an Issuer shall immediately make public information on the number of securities subscribed for. If the issue is undersubscribed and/or no payment has been made for some of the subscribed shares as required, the Issuer shall disclose information about the measures to be taken. If the issue has been oversubscribed, the Issuer shall be obliged to publish information on measure(s) used for solving the situation.

7.7.3. An Issuer who has issued convertible bonds or other securities convertible into the Issuer's shares under predetermined conditions shall disclose information on the number of shares subscribed for by exercising conversion rights immediately after the close of each subscription period.

## **7.8. Shareholders' agreements**

An Issuer is required to ensure that shareholders holding more than five per cent (5%) of the votes represented by the shares of the Issuer disclose information, through the Issuer, on all the significant provisions of all the agreements made with other shareholders or third parties which are aimed

at restricting the free transferability of the shares or which may have a significant effect on the price of the shares.

## **7.9. Transactions with persons connected with Issuer**

7.9.1. For the purposes of the Rules, a transaction with a person connected with an Issuer is understood as a transaction which is not a regular business transaction of the Issuer or its significant subsidiary and which is made by the Issuer or its significant subsidiary and of which one party is any of the following persons:

7.9.1.1. a person who has a qualifying holding in the Issuer or its subsidiary, a company connected with any such person, or a company that may be regarded as being controlled by any such person according to the provisions of the part of the Rules titled "Listing Rules";

7.9.1.2. a member of the management board or supervisory board of the Issuer or of a company belonging to the same group with the Issuer, a person connected therewith or companies that may be regarded as being controlled thereby according to the provisions of the part of the Rules titled "Listing Rules".

For the purposes of this clause, a transaction which is not a regular business transaction means also regular transaction made under non-regular conditions or circumstances.

7.9.2. A person who has a qualifying holding is understood as any person specified in clause 4.1.2 of these Requirements. A company connected with a person who has a qualifying holding is understood as a company, which is the subsidiary or parent company of or a company of the same group as the company that has a qualifying holding.

7.9.3. An issuer is obliged to disclose immediately information about transactions with persons connected with the Issuer. The information disclosed about such transactions shall include:

7.9.3.1. information on all the parties to the transaction and their connection with the Issuer;

7.9.3.2. a description of the conditions of the transaction and information on the sum to be received or paid by the Issuer and the due dates of payment;

7.9.3.3. information on the effect of the transaction on the Issuer's profit, assets and liabilities;

7.9.3.4. information on the number of the Issuer's shares held by the connected person after the transaction, if the substance of the transaction is the acquisition of a holding from the connected person and the Issuer uses its own shares to pay for acquiring the holding.

7.9.4. For the purposes of these Requirements, a transaction of the Issuer or its subsidiary with a connected person is considered significant if

the monetary value of the transaction is larger than thirty per cent (30%) of the Issuer's consolidated equity recorded in the last audited balance sheet. If during the last twelve (12) months more than one transaction has been effected with a single person, or a person or company connected with such person, all such transactions shall be summarised in order to determine the significance of a transaction.

- 7.9.5. Upon effecting a significant transaction with a person connected with the Issuer, the Issuer shall:
- 7.9.5.1. submit the transaction for approval to the general meeting of shareholders;
  - 7.9.5.2. to submit the information stipulated in clause 7.9.3 of these Requirements to the general meeting of shareholders along with the auditor's opinion that the transaction does not damage the interests of the shareholders not concerned by the transaction.
  - 7.9.5.3. If changes are made to the conditions of a transaction approved by the general meeting of shareholders, the Issuer shall submit the transaction along with information on the changes made in the conditions of the transaction for a new approval to the general meeting of shareholders.
- 7.9.6. The restrictions stipulated in clause 7.9 do not apply to transactions made with the following connected persons:
- 7.9.6.1. subscription for shares if the pre-emptive right of the current shareholders is not excluded;
  - 7.9.6.2. issue of a share option, the conditions of which are approved pursuant to the procedure set out in the Rules;
  - 7.9.6.3. giving or guaranteeing loans, if the conditions of the transaction do not differ from the ordinary conditions of similar transactions;
  - 7.9.6.4. determining the wages or bonuses of the members of the Issuer's management board or supervisory board under ordinary conditions;
  - 7.9.6.5. guaranteeing the subscription for securities, if the conditions of the guarantee and the fee paid for it do not differ from the ordinary conditions of similar transactions and the amount paid for them.

#### **7.10. Exceptions upon disclosure of information on qualifying holdings**

On the basis of the written application of a shareholder, the Exchange may, in calculating the voting right of the shareholder, disregard shares in respect of which the shareholder confirms in writing that he or she:

- 7.10.1. holds or intends to acquire the shares only for the purpose of transactions; and

- 7.10.2. he or she did not or does not intend to acquire the shares for the purpose of participating in the Issuer's management as a shareholder or otherwise.

### **Information of acquisition and transfer of holdings in company**

- 7.11.1. An Issuer shall forthwith disclose a resolution on the partial or full acquisition or transfer of a holding in a company; as well as a resolution on the acquisition or waiver of a right to acquire or transfer a holding in a company. The foundation or being one of the founders of the company shall be also deemed as an acquisition of the holding and liquidation shall be deemed as a transfer of a holding for the purposes of this part.
- 7.11.2. The disclosed notice on a resolution to acquire or transfer a holding shall contain at least the following information:
- 7.11.2.1. the business name, area of operation and a description of the business of the company in which a holding will be acquired or transferred;
  - 7.11.2.2. the size of the holding to be acquired or transferred and its percentage in the share capital of the company to be acquired or transferred;
  - 7.11.2.3. the purpose of the acquisition or transfer and its effect on the Issuer's operations;
  - 7.11.2.4. information on whether the transaction can be treated as a transaction with connected persons within the meaning of these Requirements and whether any members of the Issuer's supervisory board and management board are otherwise personally interested in the transaction, and a description of the personal interest, if any;
  - 7.11.2.5. if the notice of acquisition or transfer of a holding includes a forecast of the effect of the transaction on the Issuer's business in the following accounting periods, the notice shall contain a description of the assumptions and circumstances on which such forecast is based.
- 7.11.3. If the acquisition or transfer of a holding may be considered qualifying for the purposes of these Requirements, the Issuer is obliged to disclose information on the following circumstances further to the information specified above:
- 7.11.3.1. the amount of money paid or received for the shares, the conditions of payment and the due dates of payment or receipt of money, the class and number of the Issuer's shares to be issued for paying for the shares to be acquired, a description of the principles for determining the replacement ratio; the difference between the acquisition and transfer price of the shares if the shares are transferred;

- 7.11.3.2. the financial results of last three years of the undertaking (sales, net profit or loss, dividends per share, the regular and diluted net earnings per share ratio) whose shares the Issuer is acquiring or transferring, the audited financial reports for the previous two years in the form of a comparative table; a review of any significant changes in the business since the end of the previous financial year or a confirmation that there were no significant changes in the business;
- 7.11.3.3. an overview of the loans taken by the company whose shares the Issuer is acquiring or transferring as from a date not earlier than 60 days before the date of the notice disclosed by the Issuer;
- 7.11.3.4. the structure of shareholders of the company whose shares the Issuer is acquiring or transferring, a list of those shareholders who hold more than five per cent (5%) of the Issuer's votes represented by shares. Voting rights shall be calculated in accordance with the provisions of the Securities Market Act;
- 7.11.3.5. information on any court or arbitration proceedings involving the commercial undertaking whose shares the Issuer is acquiring or transferring, which may have a significant effect on the business activity of that company, or a confirmation of the absence of such proceedings;
- 7.11.3.6. information on any valid contracts between the Issuer and the company whose shares are acquired or transferred by the Issuer;
- 7.11.3.7. the names of the members of the supervisory board and the management board of the commercial undertaking whose shares are acquired or transferred by the Issuer.

## **7.12. Significance of acquisition or transfer**

- 7.12.1. For the purposes of these Requirements, an acquisition or transfer shall be considered significant whenever at least one of the following criteria is met:
  - 7.12.1.1. if the consolidated balance sheet total, equity or sales of the company whose shares are acquired or transferred by the Issuer or its subsidiary is equal to or exceeds 10% of the respective figures of the Issuer according to the last audited consolidated balance sheet of the Issuer, and if as a result of the transaction the company becomes or ceases to be the Issuer's subsidiary within the meaning of the provisions of the Commercial Code;
  - 7.12.1.2. if the amount of money to be paid or received for the shares by the Issuer or its subsidiary, including cash payment and/or the market value of the securities used for/received as payment, and the debts transferred by/to the Issuer, is equal to or exceeds 10% of the equity capital as indicated in the Issuer's last audited

consolidated report. The market value of the securities traded on the Exchange is calculated based on their closing price on the date preceding the date of agreement on the transaction.

- 7.12.2. When evaluating the significance of an acquisition or transfer, all the acquisitions or transfers of the same company's shares during the 12 previous months by the Issuer or its subsidiary are viewed cumulatively on the basis of the indicators specified in clause 7.12.1.

### **7.13. Transactions subject to approval by general meeting of shareholders**

- 7.13.1. All the transactions of the acquisition or transfer of holdings where according to the Issuer's last audited consolidated report the total assets, equity or sales of the company whose shares are being acquired or transferred by the Issuer is equal to or exceeds 50% of the respective figures of the Issuer and if as a result of the transaction the company becomes or ceases to be the Issuer's subsidiary within the meaning of the provisions of the Commercial Code, shall be submitted for approval to the general meeting of shareholders.
- 7.13.2. All the transactions on the acquisition or transfer of holdings where the amount of money to be paid or received for the shares by the Issuer, including cash payment and/or the market value of the securities used for/received as payment, and the debts transferred by/to the Issuer, is equal or exceeds 50% of the equity capital indicated in the Issuer's last audited consolidated report shall be submitted for approval to the general meeting of shareholders. The market value of securities traded on the Exchange is their closing price on the date preceding the date of agreement on the transaction.
- 7.13.3. All the transactions in which the assets of the Issuer or its subsidiary are transferred and which involve the termination a significant area of operation from the aspect of the Issuer's sales or profit shall be submitted for approval to the general meeting of shareholders. For the purposes of this clause, a an area of operation is considered to be significant if it accounts for more than 50% of the Issuer's sales or profit according to the Issuer's latest audited consolidated report.
- 7.13.4. An Issuer is also obliged to submit all the information stipulated in clause 7.11 of these Requirements to the general meeting of shareholders for the approval of the transactions stipulated in the current article.

### **7.14. Information on mergers**

- 7.14.1. An Issuer is obliged to make immediately public any proposal made to the management board, supervisory board and/or the general meeting for the merger of the Issuer with another company, and the resolutions of the supervisory board and/or the general meeting thereon.
- 7.14.2. An Issuer is obliged to guarantee the disclosure of information on all the Issuer's merger documents, which according to the applicable legislation are subject to disclosure to the shareholders or which are disclosed to the shareholders, through the Exchange Information System not later than they are disclosed to the Issuer's shareholders.
- 7.14.3. If the relevant information is not disclosed in the merger prospectus, the Issuer is obliged to disclose the at least the information stipulated in clause 7.11 of these Requirements on the company with which the Issuer merges.

**7.15. Obligation to make merger prospectus public**

- 7.15.1. Upon the merger of an Issuer whose shares are traded/ listed on the markets organised by the Exchange with another company, the Issuer shall make public the merger prospectus containing information on the merging companies in accordance with the requirements established by the Exchange.
- 7.15.2. Upon the merger of two Issuers whose shares are traded/ listed on the markets organised by the Exchange, the merging Issuers shall make public the merger prospectus containing information on the merging Issuers in accordance with the requirements established by the Exchange.

**7.16. Exception to obligation to make merger prospectus public**

If an Issuer merges with a company whose shares are not traded/listed on the markets organised by the Exchange, the Exchange may grant the Issuer an exemption from the obligation to make the merger prospectus public, if there is reason to believe that the merger will not have a significant effect on the price of the traded/listed shares or if other exceptional circumstances so require. In such a case, the Issuer is obliged to make public the merger report prepared in accordance with the provisions of the Commercial Code.

**7.17. Information on division and transformation**

The provisions of these Requirements, which regulate the obligations of an Issuer in case of a merger apply to the disclosure of information on an Issuer's division or transformation, taking into account the differences of division and transformation.

**7.18. Information on share options granted to Issuer's managers and employees**

- 7.18.1. For the purposes of these Requirements, a share option issued to an Issuer's employee is understood as any arrangement where an Issuer grants the members of the management board and supervisory board and employees of the Issuer or its subsidiary the right to buy the Issuer's shares at a predetermined time and under predetermined conditions.
- 7.18.2. An issuer is obliged to disclose information about a resolution of the Issuer's competent body to issue share options to the employees. The notice shall contain at least the following information:
  - 7.18.2.1. the basis for determining the entitled subjects of the share option and the number of shares to be sold/granted to them, the maximum number of shares that one person is entitled to receive under the option conditions. If one or more members of the Issuer's supervisory board belongs to the circle of entitled subjects of the share options, information shall be presented on the number of shares to be distributed to every member of the supervisory board or a description of the bases for determining the number of shares;

- 7.18.2.2. the maximum number of shares purchased or issued for meeting the conditions of the share option; the time schedule of the share option scheme and the term of exercise of the option;
  - 7.18.2.3. the exercise price of the option;
  - 7.18.1.4. the financial year in which the shares issued in order to meet the conditions of the share option grant the right for a first dividend;
  - 7.18.1.5. the class of shares to be issued in order to meet the conditions of the share option and a description of the rights attached to the shares if they differ from the rights attached to the shares previously issued by the Issuer;
  - 7.18.1.6. other significant conditions of the share option.
- 7.18.3 If a proposal to issue share options is submitted to the general meeting of shareholders for approval, the information stipulated in clause 7.18.2 of these Requirements shall be included in the notice convening the general meeting of shareholders.

#### **7.19. Conditions of share options granted to employees and managers of Issuer**

- 7.19.1. In defining the conditions of share options to be granted to the Issuer's employees and managers, the Issuer is required to observe the following requirements.
  - 7.19.1.1. Upon issuing new shares, the fixed exercise price of the option may be lower than the weighted average price of the share on the trading day preceding the date of approval of the option conditions only:
    - 7.19.1.1.1 upon relevant resolution of the supervisory board, if employees or members of management board are entitled to receive the share option;
    - 7.19.1.1.2. upon relevant resolution of the general meeting of shareholders, if members of supervisory board are entitled to receive the share option.
  - 7.19.1.2. If no new shares are issued to meet the conditions of the option, as a rule, the fixed exercise price of the option must not be lower than the weighted average price of the purchased shares. The fixed exercise price may be lower than the weighted average price of the purchased shares only upon relevant resolution of the general meeting of the shareholders.
  - 7.19.1.3. The maximum entitlement of each person shall not exceed 25% of the total shares to be issued or sold in order to exercise the option.
  - 7.19.1.4. If no new shares are issued for the option, the conditions of the option shall be approved by the Issuer's general meeting of shareholders in accordance

with the provisions of legislation regulating the acquisition of its own shares by a public limited company. Share purchasing from the secondary market may not commence earlier than on the tenth trading day after the disclosure of the resolution of the general meeting.

- 7.19.1.5. If the Issuer has made an agreement with the shareholder(s) for the purchase of shares necessary for implementing the option scheme or if the Issuer intends to make such an agreement, the Issuer shall submit to the general meeting of shareholders information on the conditions of acquisition of such shares and on such shareholder(s).
  - 7.19.1.6. If no new shares are issued to implement the option scheme, the nominal value of the shares to be acquired for implementing the option scheme during one calendar year must not exceed 5% of the Issuer's share capital.
  - 7.19.1.7. If, based on a resolution of the supervisory board, there are one or more members of the supervisory board among the entitled subjects of the options, the supervisory board shall submit the conditions of the share option for approval to the general meeting of shareholders.
- 7.19.2. The conditions of share options, which have been approved by the general meeting of shareholders may be adjusted to be more favourable to the option holders only by a resolution of the general meeting of shareholders, except for changes necessary under the provisions of the applicable legislation.
- 7.19.3. With the consent of the Exchange, an Issuer may change the fixed exercise price of the option if this is necessitated by the effect of corporate events (including a bonus issue, a share split) on the Issuer's share price.

## **8. SPECIAL REQUIREMENTS FOR ISSUERS OF DEBT SECURITIES**

### **8.1. Applicability of general provisions to Issuers of debt securities**

- 8.1.1. In addition to the obligations arising from the law all the provisions of clauses 1–6, 8 and 10 of these Requirements apply to Issuers of debt securities.
- 8.1.2. The state and local governments are only required to comply with clauses 1, 2.4, 3 and 8 of these Requirements. The Exchange may give permanent or temporary exceptions from the requirements for disclosure of data for the state and local municipality, provided that the interests of the investors are protected.
- 8.1.3. International organisations and Issuers of debt securities whose debt securities are traded/listed on the regulated market of a member state of the European Union are only required to comply with clauses 1, 2.4, 3, 8 and 10 of these Requirements.
- 8.1.4. Issuers of debt securities to whom an investment grade rating has been assigned by an internationally accepted rating agency must only comply with clauses 1, 2.4, 3, 8 and 10 of these Requirements and inform the public of any (potential) review or changing of the rating.

### **8.2. Content of information disclosure obligation**

An Issuer must immediately disclose all the information of which the Issuer has become aware that may have a significant effect on the price of any debt securities of the Issuer or the Issuer's ability to meet its obligations under such debt securities.

### **8.3. Information on interest payments**

- 8.3.1. An Issuer is required to disclose immediately a resolution of the Issuer's competent body not to pay interest on debt securities or to make interest payments only in part.
- 8.3.2. For the purposes of these Requirements, interest payments are understood as regular payments by the Issuer to the holders of debt securities of the interest income earned on the debt securities.
- 8.3.3. Before the arrival of any interest payment date, an Issuer is required to inform the Exchange of the record date in accordance with the provisions of clause 3.6 of these Requirements. The notice of the record date shall include at least the following information:
  - 8.3.3.1. the amount of interest to be paid per security;
  - 8.3.3.2. the date and procedure for the payment of interest;
  - 8.3.3.3. the amount of income tax, if any, withheld by the Issuer from the payment.

### **8.4. Information on early redemption of debt securities**

- 8.4.1. An issuer is required to disclose immediately a resolution adopted by the competent body of the Issuer on an early redemption of debt securities and the number of debt securities to be redeemed early.

2.1.1. An issuer is obliged to disclose information about an early redemption of debt securities in accordance with clause 3.6 of these Requirements. The notice to be disclosed shall indicate the date of early redemption of the securities and the sum payable to investors per debt security.

8.4.3. If the redemption is partial, information on the number and distribution of the debt securities, which were not redeemed, shall be disclosed after the redemption.

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

An Issuer shall immediately disclose information on any new issue of debt securities, except for an Issuer that is a credit or financial institutions with regard to those issues of debt securities that can be considered daily economic operations of the issuer. The disclosed information shall include at least the information specified in clause 2 of the "Listing particulars for issuers of debt securities."

### **8.6. Reduction of share capital**

8.6.1. An issuer is obliged to immediately disclose information about an intended reduction of the share capital of the Issuer and make public the notice convening the respective general meeting.

8.6.2. The Issuer shall immediately disclose the resolution passed at the general meeting on the reduction of share capital. The resolution of the general meeting on the decrease of share capital submitted to the Exchange shall contain the information specified in § 357 (in § 197<sup>1</sup>) of the Commercial Code. The resolution of the general meeting of the Foreign Issuer shall contain the information required in the Issuer's country of residence. If, according to the law of the Foreign Issuer, the resolution of the general meeting must not contain the information required in the Commercial Code, the Foreign Issuer shall, in addition to the resolution, disclose also the missing information."

## **9. SPECIAL REQUIREMENTS FOR INVESTMENT FUNDS**

### **9.1. Applicability of other provisions to Investment Funds**

In addition to the obligations arising from the law all the provisions of clauses 1, 2, 3 and 9–10 of these Requirements apply to investment funds (hereinafter also: the Fund). The provisions of clause 7 of these Requirements whose application to investment funds founded as public limited companies is not contrary to the principles of operation of investment funds apply to investment funds founded as public limited companies.

The management company shall maintain its own website on which all of the information that has to be published according to these Requirements, shall be made available.

### **9.2. Legitimacy of operations of Management Company and Fund**

The operations of management companies and funds must comply with the provisions of the applicable legislation, the prospectus of the fund units or shares, and the fund rules or articles of association of the fund.

### **9.3. Reporting**

9.3.1. A management company or Fund is obliged to submit immediately to the Exchange any changes in the information and documents submitted upon the application for admission of the fund units or shares.

*repealed* repealed

9.3.4. The Fund or management company of a contractual fund or a management board of a fund established as a public limited company shall disclose the fund's semi-annual report and audited annual report, prepared in compliance with legislation, together with auditor's report and comments, immediately after their approval pursuant to the procedure provided by legislation, whereas annual reports shall be submitted not later than four (4) months after the end of the previous financial year and semi-annual reports shall be submitted not later than two (2) months after the end of the half-year.

9.3.5. A management company shall disclose its annual report prepared in compliance with legislation together with auditor's report and comments, immediately after their approval pursuant to legislation.

### **9.4. Publishing of Net asset value of fund units and shares**

A management company shall disclose the net asset value (NAV) of the fund unit or share at least in time and terms provided by legislation.

### **9.5. Suspension and termination of operations and liquidation of fund**

A management company or depositary is obliged to disclose immediately any decision to suspend the fund's operations and liquidate the fund, as

well as the institution of compulsory liquidation of the fund by the Financial Supervision Authority.

#### **9.6. Changes in fund, management company and depositary**

- 9.6.1. A management company shall disclose any changes among the shareholders, members of supervisory board and management board and fund managers of the management company, as well as any changes among the members of the management board and supervisory board of funds founded as public limited companies.
- 9.6.2. A management company shall immediately disclose a decision on the refusal to renew or to cancel its licence, as well as of the expiration of its licence or the right to manage the fund.
- 9.6.3. A management company is obliged to disclose a decision on the merger, division or transformation of the management company or a depositary.
- 9.6.4. A management company shall immediately disclose information on the filing of a bankruptcy petition against the management company or a depositary.

#### **9.7. Information subject to disclosure in relation to fund's operations**

- 9.7.1. A management company shall immediately disclose any circumstances of any violation of the requirements imposed on the fund and/or management company by legislation, incl all precepts of Financial Supervisory Authority. The notice of violation shall include a description of the violation and the measures to be taken by the management company for its elimination.
- 9.7.2. A management company shall immediately disclose any violation of the investment restrictions applicable to the fund, as well as any violations of the fund rules, a management contract or depositary contract, and any notices submitted by the depositary stating that management company's activities are contrary to the legislation, the articles of association of the fund, the depositary contract or management contract. The notice shall contain a description of the violation and the measures to be taken for its elimination.
- 9.7.3. A management company shall disclose any significant changes in the rules or prospectus of a contractual fund, the articles of association of a fund founded as a public limited company, a management contract or depositary contract immediately after their approval by the Financial Supervision Authority. The notice of changes shall contain a description of the changes.
- 9.7.4. A management company shall immediately disclose information about the transfer of the management right to another management company or its transfer to a depositary.
- 9.7.5. A management company shall immediately disclose a decision to suspend the redemption of contractual fund units, as well as a decision to continue the redemption of fund units. The notice of termination of the redemption of fund units shall contain the date of termination of redemption;

- 9.7.6. A management company shall immediately disclose a decision of the general meeting of shareholders of a fund founded as a public limited company on the fund's merger, as well as a decision of the Financial Supervision Authority on permission for the merger of the fund founded as a public limited company or on the refusal to grant such permission.
- 9.7.7. A management company shall immediately publish any information which is likely to affect significantly the valuation or price of fund units. However, the management company is not required to disclose information concerning companies the securities of which are included in the fund assets.
- 9.7.8. In cases if according to legislation publishing of certain information specified in these Requirements is an obligation of Fund, the management company may avoid publication of the same information provided the Exchanges consents thereto and this information is published in accordance with these Requirements. However, this information shall be provided to the Exchange immediately at first request.
- 9.7.9. A management company shall disclose information of any proposed dividends payable to unit-holders and any decisions regarding the payment of dividends or other payouts, together with the time of payment.
- 9.7.10. A management company is required to notify the Exchange of any meeting of unit-holders together with the agenda of the meeting. The notice shall be submitted to the Exchange at the same time when notice of the meeting is delivered to the unit-holders.
- 9.7.11. A management company is required to ensure the disclosure of any information required to be disclosed regarding/by Fund pursuant to these Requirements.

**9.7.12. 10. SANCTIONS**

- 10.1. Upon the failure of an Issuer or a member of the management board or supervisory board, employee or shareholder of an Issuer to comply or properly comply with these Requirements, the Exchange may demand that the Issuer present an explanation about the violation.
- 10.2. Upon the failure of an Issuer or an employee or member of legal bodies of an Issuer to comply or properly comply with these Requirements, the Exchange may issue a warning to the Issuer or impose a penalty on the Issuer, defined as a fixed amount or a penalty per day as from the date when the Issuer should have performed the particular obligation up to the date of performance in accordance with the provisions of the parts of the Rules titled "Supervision" and "Fines".