Rules for Issuers and Issuer Agents

Euroclear Sweden

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A. GENERAL RULES

A 1. DEFINITIONS AND ABBREVIATIONS

The terminology that is used in these Rules for Issuers and Issuer Agents conveys the meaning that is given below, unless otherwise stated. In addition to these definitions, further terms are defined in Euroclear Sweden’s General Terms and Conditions – Account Operations and Clearing.

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

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

**Administrative Institute**: an Issuer Agent appointed by the Issuer for the purpose of handling certain administrative tasks in connection with a bond issues in accordance with the final terms for the bond issue.

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

**Agent**: a company appointed to act as agent or trustee for investors in bond issues with the assignment to safeguard the interests of investors in accordance with the terms and conditions of the bond in question.

**AM**: the sub-market within the VPC system also named equity market, see section C 1.5.1 in ES General Terms and Conditions Account Operations and Clearing.

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

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

**Bolagsverket**: The Swedish Companies Registration Office.

**BondPayments**: a function for handling payments of interest and redemption on the AM submarket. The function is available in IssuerCorner.

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

**Clearing Member**: a company that has received authorisation from ES to participate in clearing operations.
Conversion Date: the date when a Financial Instrument other than shares is deregistered from a VPC Account in conjunction with ES handling a payment with respect to the Financial Instrument.

Corporate Action: an action initiated by the Issuer or a third party which involves the exercise of the rights flowing from the Financial Instrument and which may or may not affect the underlying Financial Instrument. ES carries out assignments regarding Corporate Actions through services regarding general meeting, cash payments and other corporate actions described in section B in these ES Issuer Rules.

CSD Account: account established in accordance with LKF and which is included in a CSD Register.

CSD Link: Link between central securities depositories in accordance with Article 2.1 (29) CSDR.

CSD Register: register in accordance with Chapter 4, section 1 of LKF.

CSD-registered company: A Swedish limited liability company as defined in Chapter 1, section 10 ABL, having a Record Date Provision in its articles of association and its shares recorded in a CSD Register.


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


ES Clearing and Settlement: the functionality by which ES offer clearing and settlement to guarantee clearing members final settlement of transfer orders.

ES General Terms and Conditions Account Operations and Clearing: ES from time to time valid General Terms and Conditions Account Operations and Clearing. Also called ES Account Rules, covering account operations and clearing between ES, account operators, nominees, clearing members and settlement banks.

ES Issuer Rules: ES from time to time valid Rules for Issuers and Issuer Agents.

ES Plug & Clear: service offered by ES for registration, issuance and de-registration of warrants and basket securities via FTP of SWIFTNet (FileAct).
**ES-registered Foreign Financial Instruments**: Financial Instruments, including ES-registered Foreign Shares, recorded by ES in a CSD Register corresponding to the Foreign Financial Instruments included in a CSD Link.

**ES-registered Foreign Shares**: shares recorded by ES in a CSD Register corresponding to the Foreign Shares included in a CSD Link.

**Financial Instrument**: Financial Instrument according to Chapter 1, section 3 LKF.

**Foreign Financial Instruments**: Foreign Shares and Financial Instruments where the choice of law regulating the relations between the Issuer and the investors of such instruments, for example regarding terms and conditions for Debt instruments or equivalent, is not Swedish law.

**Foreign Shares**: shares issued by an Issuer with a corporate domicile outside of Sweden.

**Investor CSD**: According to definition in Article 1 (f) CSDR RTS 392.

**Issuer CSD**: According to definition in Article 1 (e) CSDR RTS 392.

**Issue**: a certain volume of Financial Instruments that are to be issued or have been issued by the Issuer and that shall be or is included in CSD Register in the VPC System.

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

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

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

**Issue Report**: a report compiled by ES of a Financial Instrument holder’s entitlement as a result of a Corporate action.

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


**Nominee**: a company licensed by ES to hold a VPC Account on behalf of owners.

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

**Other Corporate Action**: Such Corporate action that is neither a general meeting related service nor cash payment according to section B 3 in this ES Issuer Rules.
Other currency: other currency than SEK or EUR that ES has decided to be eligible as settlement and payment currency in accordance with section A 1 in ES General Terms and Conditions Account Operations and Clearing.

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

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

PM: the sub-market within the VPC system also named debt market/money market, see section C 1.5.1 in ES General Terms and Conditions Account Operations and Clearing.

PM Account: VPC Account for the registration of Debt instruments issued in a PM Program.

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

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

Record Date: The date by which a holder of Financial Instruments must be entered in the CSD Register in order to be entitled to participate in an issue, receive funds in connection with a payment or equivalent. A Record Date in the VPC System must be a Banking Day, except for the Record Date for the general meeting register of shareholders that shall be a Weekday.

Record Date Provision: provision in accordance with Chapter 4, section 39 of ABL.

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

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

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

Retrieval Date: the date when ES retrieves information from the CSD Register for the creation of a register that has been ordered. A Retrieval Date in the VPC System must be a Banking Day.

Share Related Transferrable Security: share related transferrable security according to Chapter 1, section 1 Act (SFS 1991:980) on trading with financial instruments.

Rules: ES’s current Rules for Issuers and Issuer Agents.

VPC Account: an account in the VPC System that can include one or more CSD Accounts.

Weekday: a day that is not a public holiday according to the Public Holidays Act (1989:253).
A 2. THE ES RULES FOR ISSUERS AND ISSUER AGENTS

2.1 GENERAL ABOUT ES

ES is since 14 November, 2019 applying for an authorisation as central securities depository in accordance with CSDR and comes under the supervision of the Swedish Financial Supervisory Authority.

ES provides services to Issuers regarding affiliation of Issuers, and recording of Financial Instruments in a book-entry system and central maintenance services regarding those, such as services regarding (a) allotment of ISIN, initial issuance of Financial Instruments and set-up of CSD Register, keeping e.g. the Register of Shareholders including shareholder register, (b) handling and processing of Corporate Actions including information services and handling of certain taxes, and (c) collection of fees for such services.

ES also provide services regarding clearing and settlement as further described in the ES General Terms and Conditions: Account Operations and Clearing.

2.1.1 ES services regarding recording of Financial Instruments in a book-entry system

ES sets one CSD Register per Financial Instrument registered and issued recorded in ES book-entry system. A CSD Register consists of CSD Accounts set up for owners or Nominees of Financial Instruments. A CSD Register is set up in accordance with an agreement with the relevant Issuer. Under certain circumstances ES is entitled to set-up a CSD Register for certain Financial Instruments in accordance with an agreement with a foreign CSD, Nominee or a foreign entity equivalent to a Nominee via a CSD Link.

To process the CSD Accounts in each CSD Register in ES book-entry system, the VPC System, so called VPC Accounts are created. A VPC Account is either opened in the name of the owner or in the name of a Nominee of Financial Instruments, s.c. owner- or nominee accounts. An Account Operator can from ES receive access to perform registrations on VPC Accounts. All conditions about the account that the account holder, owner or Nominee, reports or such conditions that shall be registered on CSD Accounts according to law, shall be registered by ES or the Account Operator. Registration of an acquisition of Financial Instrument and other rights on an account brings proprietary protection towards the transferor’s creditors and third parties.

VPC Accounts and the information registered on those account are also used to keep the Register of Shareholders, process and administrate Corporate Actions and to provide information to account holders and others such as Swedish and Foreign tax authorities.

ES is the controller of personal data in accordance with LKF regarding the processing of personal data related to the recording in the book-entry system.

2.1.2 ES services regarding Corporate Actions

ES provides services regarding Corporate Actions according to assignments to ES from Issuers, Issuer Agents or other agents or Agents assigned by the Issuer. Corporate actions are in these Rules divided into each payments, services related to general meetings and other corporate actions as described in Section B of the Rules.
Services regarding Corporate Actions are processed regarding account holders or other rights holders regarding certain Financial Instruments in certain VPC Accounts as of, where appropriate, certain Record Date and in accordance with schedules described in the Rules ES Issuer Rules.

2.2 GENERAL ABOUT THE RULES

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

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

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

2.3 THE ISSUER’S OBLIGATION TO PROVIDE INFORMATION

The Issuer undertakes to inform ES when announcing a General Meeting or another type of corporate action that affects the Financial Instruments registered by ES.

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

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

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

2.4 CONFIDENTIALITY

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

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

The Parties confirm that all use of information obtained from the other Party will be handled in compliance with applicable regulations, laws and agreements regarding secrecy and handling of personal data.

In addition to the aforementioned ES may receive, collect and handle certain personal data, including names, contact information and other related information regarding persons employed or associated with Issuers and Issuer Agents as well as companies applying to become Issuers or Issuer Agents. Such information will be used for handling the application procedure, providing services to Issuers and Issuer Agents, contacting and communicating efficiently with Issuers and Issuer Agents and for other related purposes.

In some situations the personal data may be shared with account holders and other rights holders, Issuers and participants, such as Nominees and Clearing Members, other companies within the Euroclear group or subcontractors, in order to achieve the above mentioned objectives. ES can be contacted in order to receive access to and, if proven erroneous, correct personal data in accordance with the applicable legislation on personal data.

Additional information about how ES process personal data is available via ES homepage.

2.6 DATE AND TIME INFORMATION
Time information in the RulesES Issuer Rules refers to Central European Time (CET). Dates or events specified in these RulesES Issuer Rules do not imply any guarantees or commitments on the part of ES that the measure will be taken by ES on the date specified, but are only given in order to facilitate the planning of the Corporate Actions of the Issuer.

2.7 MESSAGES BETWEEN ES AND THE ISSUER
Messages sent by ES by registered mail or ordinary mail shall be deemed to have reached the Issuer not later than five (5) Banking Days after dispatch, if the letter is sent to the address provided to ES by the Issuer. A message sent by telefax, S.W.I.F.T, Internet or other electronic communication shall be deemed to have reached the Issuer upon transmission, if sent to the number or electronic address provided by the Issuer. In the event that such message reaches the Issuer outside normal business hours, such message shall be deemed to have reached the Issuer in the beginning of the following Banking Day. The Issuer shall inform ES about any changes concerning address details etc.

A message from the Issuer to ES shall be sent to the address which is announced by ES on ES’s website or in other information sent to the Issuer, unless ES has requested a reply to another address. A message sent by ordinary mail, telefax, S.W.I.F.T, Internet or other electronic communication from the Issuer shall be deemed to have reached ES on the Banking Day the message reached the aforementioned address. In the event that such message reaches ES outside normal business hours, such message shall be deemed to have reached ES in the beginning of the following Banking Day.
A message sent by courier from either Party shall be deemed to have reached the recipient at the time of delivery.

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

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

Where separately stated in these Rules, ES has the right to demand payment of a penalty fee from Issuers or Issuer Agents that do not fulfil their obligations under these Rules. Such penalty fee may amount to a maximum fee of SEK 20,000 per event and shall be included as shown in the price list and communicated in the abovementioned manner applicable to fees. ES can refrain from demanding such a penalty fee if exceptional reasons exist.

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

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

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

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

ES shall notify Issuers and Issuer Agents affected by the planned amendments or supplements to the Rules at least thirty (30) days prior to their entry into force. Such notification shall be sent to the address or e-mail address specified by the Issuer and Issuer Agents.
Where an amendment or supplement is a consequence of legislation, decisions by courts of law or government authorities, or if extraordinary reasons exist, amendments and supplements may be implemented before the Issuer and Issuer Agent concerned has been notified or before consultation has taken place, coming into force with immediate effect.

2.10 APPLICABLE LAW AND DISPUTE RESOLUTION

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

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

The provisions of the Swedish Code of Judicial Procedure regarding voting, the consolidation of cases and the allocation of legal costs shall apply. The arbitration proceedings shall be held in Swedish and take place in Stockholm, Sweden. With regard to disputes concerning overdue payment amounts which, at the time of filing the claim, do not exceed ten (10) price base amounts according to the Swedish Social Insurance Code (SFS 2010:110), each Party is, however, entitled to bring legal action to a court of general jurisdiction in Sweden.
A 3. RECORDING OF FINANCIAL INSTRUMENTS IN A CSD REGISTER

3.1 GENERAL INFORMATION REGARDING RECORDING OF FINANCIAL INSTRUMENTS IN A CSD REGISTER

ES provide securities accounts on the top tier level and thereby record Financial Instruments in a book-entry system in accordance with LKF and as a notary and central maintenance service in accordance with CSDR. Notary services regards initial recording of Financial Instruments in a book-entry system. Recording of Financial Instruments in a book-entry system is by LKF defined as recording of ownership and special rights to e.g. transferrable Financial Instruments such as shares, bonds and other Financial Instruments, for which certificates representing shares or other Financial Instruments have not been issued, in a CSD Register (“dematerialisation”).

Regarding Financial Instruments, such as shares issued by a CSD Company, recorded in book-entry form in accordance with LKF, it’s not allowed to issue certificates or other documents representing e.g. shares, interim securities or bonds. If such certificates or other documents are issued, they do not constitute evidence of a legal obligation.

Regarding Financial Instruments issued outside of Sweden by foreign Issuers and recorded by ES in accordance with LKF, certificates or other documents representing e.g. shares, interim securities or bonds could be issued. Such certificates or documents representing Financial Instruments that are to be recorded in the ES book-entry system must be safeket in such way that it is not possible for them to enter into circulation (“immobilisation”) before ES can set up a CSD Register for that Financial Instrument.

All Financial Instruments registered in the VPC System have a unique ISIN number (International Securities Identification Number). The ISIN number is constituted according to an international ISO standard and consists of country code, serial number and control number, for example SE0000123456. ES assigns numbers in Sweden for both ES-affiliated and non-ES-affiliated Swedish Financial Instruments, both such that are recorded by ES in book-entry and such that are not.

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

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

3.1.1 Categorisation of Financial Instruments in the VPC System – unit and nominal

In the ES system, a distinction is drawn between Financial Instruments that are posted as ‘unit securities’ and that are represented by a number, for example a share or a warrant, and Financial Instruments that are recorded as ‘amount nominal securities’ and that are represented by a nominal amount, such as bonds and discount notes.
From a technical perspective, ES can only process the registration of unit securities that correspond to a whole number. To process fractions, the Issuer must appoint an Issuer Agent.

3.1.2 Categorisation of Financial Instruments in the VPC System – security-type and security-sort

Categorisation of Financial Instruments in the VPC System is done, in addition to the description in section A 3.1.1, by using security-type and security-sort, which combined constitute a specific Financial Instrument.

3.1.2.1 Type of Financial Instrument – security-type

Financial Instruments that are posted recorded in the VPC System is technically divided into different types of Financial Instruments e.g. AK (share), TO (subscription option), KV (convertible), WT (warrant) etc. which are also called security-type.

3.1.2.2 Sort of Financial Instrument – security-sort

To further enable to categorise between different Financial Instruments of one and the same security-type there are different sorts, also called security-sort. A security-sort is a sub-category to a security-type where e.g. the security-type AK e.g. can have the security-sort A or B, which e.g. can have differentiated voting-power.

3.1.2.3 Combination of security-type and security-sort

A combination of a security-type, e.g. AK, and a security-sort, e.g. B, constitute a security-type and sort AK B. Each such combination of a security-type and sort constitutes a Financial Instrument with one ISIN.

3.2 GENERAL INFORMATION ABOUT APPLICATIONS AND AFFILIATION AGREEMENTS

ES assesses each application for affiliation by an Issuer and recording of Financial Instruments in a CSD Register. This assessment includes a complete risk assessment of the Issuer filing the application, as described below.

ES will process an application from an Issuer who wants to affiliate and thereby have its Financial Instruments recorded in a book-entry system as soon as possible and answer the Issuer as soon as possible and, within three months at the latest. An Issuer must provide ES with necessary information in order to give ES the possibility to perform a comprehensive risk assessment regarding legal risks, financial risks and operational risks related to the affiliation and recording of Financial Instruments. In its answer to the requesting Issuer, ES may require that the application must be supplemented, in order to allow an over-all risk assessment in accordance with the above.

Regarding legal risks the requesting Issuer must provide its Legal Entity Identifier (LEI), its legal domicile and under which country's law its Financial Instruments are issued. LEI need to be validated and the Issuer therefore needs to submit relevant supporting documents to ES validating its LEI and the status of the LEI. Furthermore, the Issuer shall continuously update ES on any changes of its LEI, including any change in status of the LEI. The requesting Issuer must be able to ensure that it can comply with all legal requirements for the services ES provides in accordance with all relevant and applicable law in the country where the issuer is incorporated. The issuer must be able to guarantee that the Financial Instruments are issued in a manner that enables ES to ensure and reconcile the issue of the Financial Instruments in accordance with CSDR. In certain cases, ES may require that the Issuer submits one or more legal opinions with regard to
matters that are deemed to be of importance for the recording of the Financial Instruments in a CSD Register.

Regarding financial risks the requesting Issuer must have sufficient financial resources to meet all its obligations to ES according the RulesES Issuer Rules. Upon request from ES, the Issuer shall be able to validate the above.

Regarding operational risks the requesting Issuer cannot make requirements that would result in ES needing to implement significant changes in its procedures regarding risk management processes or implementation of manual processes. The Issuer may not require ES to handle currencies other than those that at the time of the application are used as settlement, payment or issue currencies in the VPC system.

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

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

ES does not have any obligations towards holders of Financial Instruments arising from these Rules, but only towards the Issuer, even if the fulfilment of ES’s obligations towards the Issuer in accordance with these Rules also entails legal consequences for holders of Financial Instruments. It is therefore always incumbent on the Issuer to ensure that the Issuer can fulfill its duties and obligations towards holders of Financial Instruments.

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

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

3.2.1 Terms and conditions for Financial Instruments shall be final and signed

Before ES can initiate recording of the Financial Instruments the Issuer with to record in a CSD Register, the articles of association or term and conditions that regulate the Financial Instrument and the Issuer’s relation to the shareholders or owners of Financial Instruments other than shares respectively shall be both final and signed by the Issuer. See also B 1.5.2 and B 6.

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A. GENERAL RULES
Further, regarding Share Related Transferrable Securities issued by an Issuer with corporate domicile in Sweden applies that those have to be registered with Bolagsverket before recording in a CSD Register can be initiated.

3.3 RECORDING OF SWEDISH SHARES IN A CSD REGISTER

A requirement for the recording of Swedish shares issued by a Swedish limited company in the VPC system is that a Record Date Provision is included in the Issuer’s articles of association. Such a provision could be worded as follows:

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

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

3.3.1 Initial Issuance

Recording of Swedish shares in book-entry is initiated by the set-up of the CSD Register after the relevant shares has been subject to initial Issuance. Such Issuance is processed by ES upon request by the Issuer Agent assigned by the Issuer following the routines for private placement in accordance with section B 4.5, unless otherwise indicated in these ES Issuer Rules. Initial Issuance results in all shares issued by the relevant Issuer are recorded in a VPC Account as instructed by the Issuer Agent. The Issuer Agent is thereafter responsible to transfer the shares to VPC accounts in the name of shareholders or, regarding shareholders that have had their shares nominee registered, to Nominees.

If the Issuer’s articles of association include a pre-emptive clause and the shares therefore are subject to pre-emption according to section B 4.18.1, recording can only occur on VPC Accounts in the name of shareholders and not be subject to nominee registration.

After initial Issuance and the set-up of the CSD Register the limited company is regarded as a CSD-registered company and ES can keep the Register of Shareholders for the relevant shares, except any shares recorded in an issuer account according to section A 3.3.2 below.

3.3.2 Issuer account

For each Issuer, ES automatically opens a VPC Account (‘issuer account’). Shares, and any bonus shares rights corresponding to such shares, for unknown owners are registered in this account. Shares for unknown owners are such shares, for which share certificates have or have not been issued, and where the holder at the time of affiliation of the Issuer to ES or thereafter has not provided sufficient information to the Issuer to facilitate recording of such shares in the CSD Register in the name of the owner of a Nominee. Such shares can therefore not be included in the Register of Shareholders kept by ES in the name of an owner or of a Nominee. Such shares are therefore included in the Register of Shareholders kept by ES as shares for unknown owners and are hereinafter called (“shares
for unknown owners”) in these Rules. It is incumbent on the Issuer, according to Chapter 5, section 16 of the Swedish Companies Act (Aktiebolagslagen (2005:551)) to maintain a Register of Shareholders for such shares that are recorded in the issuer account, even after the CSD Register has been established for the Issuer’s shares. For the avoidance of doubt it can be noted that the issuer account may not be used for account-keeping of holdings where an investor, for a subsequent Issue, has not provided sufficient details in order to facilitate account-keeping.

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

3.4 RECORDING OF SWEDISH FINANCIAL INSTRUMENTS OTHER THAN SHARES IN A CSD REGISTER

ES’s undertaking to establish a CSD Register in accordance with the Affiliation Agreement applies on the condition that ES, once it has been informed of the terms of the Financial Instrument or equivalent, has declared itself prepared to register this information in the VPC System. ES only enters Debt instruments that are intended for general conversion. Individual Debt instruments cannot be recorded by ES.

If the terms of a Financial Instrument recorded in book-entry by ES are altered, it is the duty of the Issuer to submit the amendment to the terms immediately to ES for approval of the continuous recording in book-entry of the Financial Instrument of the change.

3.4.1 Initial Issuance of Swedish Financial Instruments other than shares in AM

Recording of Swedish Financial Instruments other than shares in book-entry are initiated by the set-up of the CSD Register after the relevant Financial Instruments has been subject to initial Issuance. Such Issuance is processed by ES upon request by the Issuer Agent assigned by the Issuer following the routines for private placement in accordance with section B 4.5 or in certain cases in accordance with the routines for ES Plug & Clear according to section B 6.3.2. Initial Issuance results in the Financial Instruments issued by the relevant Issuer are recorded in a VPC Account as instructed by the Issuer Agent. The Issuer Agent is thereafter responsible to transfer the Financial Instruments to VPC accounts in the name of owners or, regarding owners that have had their shares nominee registered, to Nominees.

3.4.1 Recording of Debt instruments in a PM Program in a CSD Register

ES’s undertaking to establish a CSD Register in accordance with the Affiliation Agreement applies on the condition that ES, once it has been informed of the terms or equivalent of the Financial Instrument, has declared itself prepared to register the Debt instruments in the VPC System and has approved that Issues in the PM Program can be registered in a PM Account.

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

If the terms for a recorded affiliated Financial Instrument are altered, it is the duty of the Issuer to submit the altered terms immediately to ES for approval of the continuous recording in book-entry account keeping of the Financial Instruments.

3.5 RECORDING OF FOREIGN NON-SWEDISH SHARES FINANCIAL INSTRUMENTS IN A CSD REGISTER VIA CSD LINK WITH ES AS INVESTOR

3.5.1 General

Foreign Financial Instruments recorded by ES via CSD Link are recorded in a CSD Register as ES-registered Foreign Financial Instruments.

A precondition for the recording of non-Swedish Foreign Financial Instruments shares is that, after processing each individual case, ES has deemed that recording of the Financial Instrument in the VPC System is possible. For ES to be able to determine whether the conditions in the Issuer’s articles of association or terms and conditions respectively, regulating the relation between the Issuer and the investors, for Foreign Financial Instruments can be supported in the VPC System, ES must receive the relevant articles of association or terms and conditions respectively at an early stage. In certain cases, ES may require that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the account-keeping.

If the articles of association or terms and conditions for Foreign Financial Instruments are altered it is the responsibility of the Issuer to immediately notify ES for ES’ approval of the continuous recording in book-entry of the ES-registered Foreign Financial Instruments. ES reserve the right to terminate the Affiliation Agreement and to deregister the Financial Instruments, in accordance with section A 3.7.2 or A 3.8 respectively if the articles of association or terms and conditions respective are altered in a way where continuous recording in book-entry is not possible. Additional conditions for ES’s account-keeping recording of Foreign Financial Instruments via CSD-Link non-Swedish shares are regulated in the Affiliation Agreement.

Those ES-registered Foreign Financial Instruments shares issued by the Issuer that are registered in the CSD Register at ES at any one time, as ES-registered Foreign Shares and other ES-registered Foreign Financial Instruments respectively, correspond to the number of Foreign Shares or quantity/amount of other Foreign Financial Instruments shares issued by the Issuer that are registered in ES’s account with another Central Securities Depository or equivalent in the CSD Link Issuer’s home country.

With regard to Foreign Financial Instruments non-Swedish shares, ES is entitled to demand a legal opinion statement from the Issuer concerning the latter’s right of access to information in the ES Registers of Owners/shareholders, Register of Creditors or other Register of Owners according to the rules and regulations of its country of domicile. Where the foreign company Issuer has the right to access to information in the ES Register of Shareholders, Register of Creditors or other Register of Owners according to the rules and regulations of its country of domicile, ES can grant access with, or without, specific express restrictions when affiliating to registering at ES.
Where the foreign company Issuer does not have the right of access to information in the Register of Shareholders, Register of Creditors or other Register of Owners according to the rules and regulations of its country of domicile, ES may grant access on-conditioned that the Issuer has reserved such right in, for example, a Prospectus directed to the Swedish market, and that the company furthermore undertakes to be responsible for any damage that may befall ES due to claims as a consequence thereof.

3.5.2 Guarantees for Issuers of Foreign Financial Instruments recorded by ES via a CSD Link non-Swedish issuers of shares

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

- that laws, other statutes or directives from the authorities applicable to the Issuer, the Issuer’s articles of association or equivalent, as well as agreements entered into by the Issuer, do not in any respect constitute an obstacle to the Issuer entering into and fulfilling the Affiliation Agreement and the undertakings and measures pursuant to the Affiliation Agreement and these Rules ES Issuer Rules regarding e.g. the recording/registration of Foreign Financial Instruments shares in the Issuer’s CSD Register,
- that the Issuer’s shares Foreign Financial Instruments have been properly issued by the Issuer and are not, in conjunction with the initial recording/registration in the CSD Register, subject to another party’s ownership rights, pledge rights, other security rights, other claims or other burdens, according to an agreement, law or other statute, in the Issuer’s country of domicile or according to some other judicial system than what is included in the Issuer’s assignment to ES,
- that the Issuer will not initiate a Corporate Action regarding its Foreign Financial Instruments that, as of the Record Date or other relevant date for the Corporate Action, are held by ES in the CSD Link without assuring that the Issuer and ES have agreed about the processing of the Corporate Action on the ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments in due time prior to the Record Date or other relevant date for the Corporate Action,
- that no physical share certificates, debt certificates or other physical documents have been issued or will be issued to holders of ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments, as long as these are recorded in a CSD Register kept with ES,
- that the Issuer grants holders of ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments the same standing and rights as the Issuer’s other shareholders or owners of other Financial Instruments,
- that there is no obstacle, according to the law or other statute in the Issuer’s country of domicile or according to the Issuer’s articles of association or equivalent, to discriminating in favour of holders of ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments, to the extent this occurs with regard to the time of registration to the general meeting, the time for the payment of dividends, the time for the payment of interest or other Corporate Actions, the currency in which holders of ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments receive cash payments/dividends and other similar matters, if required due to technical, legal, practical or other reasons, and
- that the Issuer, to the required extent, has assured itself the right to receive the information, such as Register of Owners, supplied to the Issuer through ES’s fulfilment of its obligations in accordance with these Rules ES Issuer Rules.
3.6 RECORDING OF NON-SWEDISH FOREIGN FINANCIAL INSTRUMENTS OTHER THAN SHARES IN A CSD REGISTER WITH ES AS ISSUER CSD

A precondition for the recording of Foreign non-Swedish Financial Instruments other than shares with ES as Issuer CSD is that, after processing each individual case, ES has deemed that recording in book-entry account keeping in the VPC System is possible. Regarding Debt instruments, ES only records Debt instruments that are intended for general conversion. Individual Debt instruments cannot be recorded by ES. In certain cases, ES may require that the Issuer submits one or more legal opinions with regard to matters that are deemed to be of importance for the recording account-keeping.

In order to perform an assessment of whether the terms and conditions of the Foreign Financial Instrument can be processed in the VPC System, ES must have access to these terms at an early stage. If the terms and conditions for a non-affiliated Financial Instrument recorded by ES in book-entry are altered, it is the duty of the Issuer to submit the terms immediately to ES for approval of the continuous recording in book-entry of the Financial Instruments approval of the change.

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

3.6.1 Initial Issuance

Recording of Foreign Financial Instruments other than shares with ES as Issuer CSD in book-entry are initiated by the set-up of the CSD Register after the relevant Financial Instruments has been subject to initial Issuance. Such Issuance is processed by ES upon request by the Issuer Agent assigned by the Issuer following the routines for private placement in accordance with section B 4.5 or in certain cases in accordance with the routines for ES Plug & Clear according to section B 6.3.2. Initial Issuance results in the Financial Instruments issued by the relevant Issuer are recorded in a VPC Account as instructed by the Issuer Agent. The Issuer Agent is thereafter responsible to transfer the Financial Instruments to VPC accounts in the name of owners or, regarding owners that have had their shares nominee registered, to Nominees.

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

3.7 EXIT FROM ES

3.7.1 Removal of record date provision – Swedish limited companies

A Swedish CSD-registered company who no longer want to be a CSD-registered company can decide to alter its decision on changes to the articles of association by way of removing the Record Date Provision in accordance with ABL, including such consent thereto prescribed by ABL. There is no information about pledge holders in the Register of Shareholders. Of a Swedish limited liability company that entails that the Record Date Provision is removed will only become valid if anyone holding pledge rights in the company’s shares has given their written consent to the decision. The Issuer can, in order to provide notification about the change to the articles of association to pledge holders and to obtain consent from the pledge holders to have the shares deregistered from the CSD Register and to provide notification about the deregistration of the shares, order address details of such pledge holders in the CSD Register from ES in order for ES to forward...
written information from the Issuer to the pledge holders via regular mail. The Issuer’s information shall include that pledge holders should, if applicable, send its consent to the Issuer.

ES **shall** deregister a Swedish limited company from the ES system as soon as Bolagsverket (the Swedish Companies Registration Office) has registered the new articles of association **without a Record Date Provision** and once the Issuer has notified ES in writing that deregistration is to take place.

3.7.2 Termination of the Affiliation Agreement
Both the Issuer and ES retain the right to give notice of termination of the Affiliation Agreement with due regard to a mutual period of notice of twelve (12) months. If ES consents, the agreement may cease to apply at an earlier point in time in the event that the CSD Register no longer contains Financial Instruments issued by the Issuer. **Regarding Foreign Financial Instruments recorded via CSD-Link with ES as Investor CSD it is further required, if the Issuer gives notice of termination, that no Foreign Financial Instruments are included in the CSD-Link before the Affiliation Agreement can cease to apply.**

Notice of termination may be given with immediate effect in the event that counterparty has failed materially in the fulfilment of its obligations and no action has been taken to rectify the situation within 90 days of the written request for correction having been made. Examples of such material breach of fulfilment of obligations are if the Issuer has not paid the fees under Section A 2.8 above that have passed its due date. **Notice of termination with immediate effect may also be given if ES, after a comprehensive risk assessment regarding legal risks, financial risks and operational risks, conclude that the Issuer no longer fulfils the requirements related to the affiliation and recording of Financial Instruments in section A 3.2 above and no action has been taken to rectify the situation within 90 days of the written request for correction having been made.** In the event of such termination of the Affiliation Agreement, an immediate deregistration of the Issuer's Financial Instruments follow in accordance with A 3.8 below. Furthermore, the Issuer and ES retain the right to terminate the Affiliation Agreement with immediate effect where there is reason to presume that the other Party will not be able henceforth to fulfil its obligations or if applicable legislation directly or indirectly prevents or significantly obstructs compliance with the Affiliation Agreement. ES furthermore retain the right to terminate the Affiliation Agreement with immediate effect where the Issuer fulfils a move to another EU member state according to the rules ES Issuer Rules in Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company.

In addition, ES is entitled to terminate the Affiliation Agreement with immediate effect in the event that the Issuer has committed a substantial infringement of Swedish or foreign law to the extent that this affects the account-keeping operations of the Issuer’s Financial Instruments or is harmful to ES’s image or trust in the securities market. **This is also applicable if the Issuer has altered the articles of association or terms and conditions respectively regarding a Financial Instrument recorded by ES and ES have not been able to give its approval of the continuous recording in book-entry of the Financial Instrument according to sections A 3.4, 3.5 and 3.6.**

Written notice between ES and the Issuer of termination of the Affiliation Agreement shall be sent in accordance with section A 2.7.
3.8 DEREGISTRATION OF FINANCIAL INSTRUMENTS AT EXIT FROM ES

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

ES retains the right to ensure that the deregistration of the Issuer’s Financial Instruments in accordance with these Rules is conducted, in the opinion of ES, in an adequate and safe manner so as to prevent forfeiture of rights for the owners of those Financial Instruments, registered rights holders or other persons affected. This shall however not constitute impediments to deregister Financial Instruments. The Issuer, in consultation with ES, shall establish a date for the deregistration of the Financial Instrument. On deregistration of the Financial instrument, ES shall provide the Issuer or other Central Securities Depository specified by the Issuer, in writing or in electronic form, with information concerning the holdings in the Issuer’s CSD Register. Such information shall be communicated by ES in accordance with section A 2.7.

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

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

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

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

#### 4.1 GENERAL

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

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

ES is not in any way responsible for damage caused by the Issuer itself, in taking measures, independent of ES, such as the payment of capital amounts or interest, which according to these Rules or to a special agreement are otherwise the responsibilities of ES.

Damage that may occur for the Issuer in cases other than those stated above and that has been caused by ES shall not be compensated for by ES insofar as ES has acted with care and attention. ES shall under no circumstances be liable for indirect damage or consequential loss.

ES examines prospectuses or terms solely for the purpose of ensuring that ES is able to carry out its undertakings according to the Rules. Thus ES bears no responsibility for the correctness of information in the prospectus or terms or that the prospectus or terms have been drawn up in accordance with law and ES’ review of the prospectus and terms does not exempt the Issuer and/or the Issuer Agent from their obligations under these Rules.

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

In those cases when ES personnel makes Issuer or Issuer Agent aware of that certain actions must be carried out according to the Rules, this is to be considered an additional service. Notwithstanding the above, it is still the Issuer/Issuer Agent responsibility to fulfil its undertakings according to the Rules.

ES does not have any obligations towards holders of Financial Instruments arising from these ES Issuer Rules, but only towards the Issuer, even if the fulfilment of ES’s obligations towards the Issuer in accordance with these ES Issuer Rules also entails legal consequences for holders of Financial Instruments. It is therefore always incumbent on the Issuer to ensure that the Issuer can fulfil its duties and obligations towards holders of Financial Instruments.
The Issuer shall, upon affiliation and subsequently on a continuous basis, fulfil its obligations in accordance with Swedish or non-Swedish legislation applicable to the Issuer’s Financial Instruments (such as, for example, registration and reporting obligations, as well as obligations in respect of trading restrictions according to the U.S. Securities Act of 1933, the U.S. Securities and Exchange Act of 1934 or the legislation of another country in which the Issuer offers its Financial Instruments to investors).

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

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

Where a hindrance exists preventing either Issuer, Issuer Agent and ES from making payment due to such circumstance as mentioned above, such Party is not liable for the payment of interest at a higher interest rate than that which is equivalent to the reference interest laid down at any one time by the Riksbanken (the Swedish Central Bank), with a supplement of two (2) percentage points. If a Party, due to any circumstance mentioned in the paragraph above, is prevented from receiving a payment, such Party is entitled, for the time that has elapsed during which the obstacle existed, to interest according solely to the terms applicable on the date the payment became due. If the circumstance prevents a Party from fulfilling its obligation or from taking action for a period longer than three (3) months from the time when the obligation should originally have been fulfilled or the action should originally have been taken, the other Party is entitled to terminate the Affiliation Agreement, subject to a period of notification of one (1) month.

4.3 PARTICULAR INFORMATION REGARDING LIABILITY FOR RECORDING OF NON-SWEDISH FOREIGN FINANCIAL INSTRUMENTS VIA CSD-LINK WITH ES AS INVESTOR CSD SHARES

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

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

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

As a result of the guarantees provided by the Issuer in section A 3.5.2 above, the Issuer shall, in the event of deficiencies in these guarantees, compensate all costs of any type incurred by ES, directly or indirectly, following claims from holders of ES-registered Foreign Shares or other ES-registered Foreign Financial Instruments or other.
A 5. ISSUER AGENTS

5.1 GENERAL

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

In certain cases, an Issuer shall appoint an Issuer Agent. Requirements regarding the appointment of an Issuer Agent by the Issuer can be seen from the RulesES Issuer Rules and apply on initial affiliation and initial Issuance of the Issuer’s Financial Instruments and primarily when undertaking voluntary corporate actions but also some mandatory corporate actions, see section B 4.2.31.

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

5.2 ACCESS REQUIREMENTS FOR ISSUER AGENTS

Access requirements for Issuer Agents can be seen from section A 3 in ES’s General Terms and Conditions — Account Operations and Clearing and the Application instruction for participation including appendices. The Issuer Agent is bound by ES’s General Terms and Conditions — Account Operations and Clearing and by ES’s Rules Issuer Rules for Issuers and Issuer Agents by signing the affiliation agreement.

5.3 AUTHORISATION

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

5.4 MONITORING

ES monitors compliance with the RulesES Issuer Rules and has the right to take such reasonable actions as ES considers appropriate in connection therewith. When necessary, ES holds meetings with the Issuer Agent with the aim of establishing that the Issuer Agent is fulfilling its obligations in accordance with these RulesES Issuer Rules. The Issuer Agent shall assist at such meetings. A meeting must be notified at least five (5) Banking Days in advance, unless particular reasons exist why this may not take place. The outcome of the meeting must be made available to the Issuer Agent as soon as possible.
5.5 PARTICULAR INFORMATION REGARDING THE ISSUER AGENT’S LIABILITY WHEN AFFILIATING A CSD-REGISTERED COMPANY

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

5.6 THE ISSUER AGENT’S HANDLING OF DEBT INSTRUMENTS IN A PM PROGRAM

Registration of Financial Instruments in conjunction with an Issue under a PM Program is performed by one or more Issuer Agents. If there is more than one Issuer Agent participating in the PM Program, the Issuer shall appoint a leading Issuer Agent. The leading Issuer Agent will maintain the contact with ES and has the Issuer’s assignment to register Issues under the PM Program in the VPC System and provide for redemption of Financial Instruments issued under the PM Program. In order to become an Issuer Agent that may issue Financial Instruments under a PM Program, the Issuer Agent must be a Clearing Member in accordance with ES’s terms in force at the time. The Issuer is responsible for the content of the information and the instructions given in conjunction with an Issue.
6. TAXES

6.1 PRELIMINARY TAX
ES is obliged by law to withhold preliminary tax on dividend payments, interest payments and under certain conditions yield payments that are disbursed via ES. Tax deductions are made for private individuals that have an unlimited tax liability in Sweden and on the estates of deceased persons regarding such individuals. The preliminary tax withheld is currently 30%. In the case of dividend payments on non-Swedish Foreign Financial Instruments shares and Swedish depository receipts, preliminary tax shall be withheld at such an amount that, together with the tax withheld abroad, it amounts to 30% of the dividend.

ES reports the withheld preliminary tax to the Swedish Tax Agency each month.

If the Issuer has instructed ES not to withhold preliminary tax on a payment, the Issuer undertakes to indemnify ES and to compensate ES for any expenditure and cost that ES may incur in the event that the Swedish Tax Agency or the recipient of the payment subsequently makes a claim to ES in respect of the Corporate Action in question.

6.2 SWEDISH WITHHOLDING TAX
Where the Issuer has commissioned assigned ES to disburse dividend on a Swedish share, and if ES accepted, ES is obliged to withhold and report Swedish withholding tax on the dividend to shareholders who have limited tax liability in Sweden. In accordance with the Withholding Tax Act (Kupongskattelagen 1970:624), certain other payments to shareholders shall be deemed a dividend payment. For example, dividend to shareholders is equivalent to a decrease in share capital or statutory reserve, payments in conjunction with the winding up of a company, payments to shareholders at the purchase by the company of its own shares through a directed repurchase offer, compensation other than shares in conjunction with the merger of a company, as well as certain payments in conjunction with the demerger of a company. For such payments equivalent to dividend, a special arrangement is required whereby ES shall be able to undertake such assignments.

Where ES undertakes to execute the payments, ES shall withhold and report withholding tax for such payments as well.

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

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

In those cases where the payment to the shareholders concerns payment other than Swedish kronor (SEK) and withholding tax therefore must be calculated on the basis of property and/or foreign currency, the Issuer shall assume responsibility for the calculated value corresponding with the value accepted by the Swedish Tax Agency. The Issuer shall, upon demand from ES, compensate ES if ES has been held responsible by the Swedish Tax Agency for any outstanding withholding tax. In such cases the Issuer shall take over ES’s right to regress against the shareholder.
If the Issuer has sent an assignment to ES to handle a securities dividend exempt from tax or other corporate action deemed by the Issuer to be exempt from tax, in its entirety or for a particular recipient, and ES has accepted the assignment, the Issuer undertakes to indemnify and to compensate ES for any expenditure and costs that ES may incur in the event that the Swedish Tax Agency or the recipient of the securities dividend or another corporate action subsequently makes a claim to ES in respect of the dividend or transaction in question.

Upon payment of the securities dividend, the Issuer shall submit information to the Swedish Tax Agency in good time and according to applicable statutes relating to taxation so that the values to be applied when calculating withholding tax, calculating preliminary tax, producing the statement of income and the annual statement can be sanctioned by the Swedish Tax Agency. In those cases where the Swedish Tax Agency does not sanction the above-mentioned values, the Issuer shall set the value. The Issuer is responsible for informing ES of the value to be applied when calculating the withholding tax, calculating preliminary tax, producing the statement of income and the annual statement. The Issuer shall inform ES of such value at the latest on 10 December the same year as the Record Date of the relevant securities dividend occurred. If the Record Date for the securities dividend is set to 10 December or later the same year, the Issuer shall inform ES about the value immediately after the Record Date and no later than the last Bank Day in the same year as when the Record Date for the securities dividend occurred.

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

However, ES does not produce statements of income for holdings attributable to individual pension savings (IPS), investment savings account (so called ISK) (sw.investeringsparkonto) or capital insurance (so called KF) (sw.kapitalförsäkring). In the event an Issuer Agent executes registration measures for such holdings, the Issuer Agent shall not produce statements of income either.

6.4 FOREIGN TAX WHEN PROCESSING NON-SWEDISH FOREIGN FINANCIAL INSTRUMENTS
In most cases ES cannot undertake to withhold or to report non-Swedish tax. The Issuer shall be responsible for any tax or charge imposed by an authority that is charged to ES or for which ES is responsible, on its own behalf or on behalf of another, arising from ES-registered foreign Financial Instruments issued by the Issuer initially being recorded in the CSD Register, and from Financial Instruments issued by the Issuer subsequently being added to or removed from the Issuer’s CSD Register. The Issuer shall be responsible for any tax or charge imposed by an authority that is charged to ES or for which ES is responsible, on its own behalf or on behalf of another, arising from Corporate Actions, such as cash distributions, is processed regarding Foreign Financial Instruments included in a CSD-Link with ES as Investor CSD. ES-registered Foreign Financial Instruments or regarding Foreign Financial Instruments for which ES act in the role of Issuer CSD. ES shall inform the Issuer of any claim for taxes or charges when these become known to ES and, in the event this can take place without noteworthy prejudice to ES, make it possible for the Issuer to object to or take measures to set aside such claims.
The Issuer undertakes to indemnify ES in full, which means that the Issuer is obliged to pay compensation to cover any cost incurred by ES or a supplier of ES in conjunction with demands or claims in accordance with the previous paragraph.
B. SERVICES REGARDING OWNER INFORMATION AND CORPORATE ACTIONS FOR FINANCIAL INSTRUMENTS

B 1. GENERAL

ES carries out assignments with its own personnel or, should the practical processing require this, by using the services of a bank, a securities company or other external enterprise. ES reserves the right not to commence the implementation of an assignment in the event, in addition what is stipulated in section A 4, that ES deems that the board or general meeting decision upon which the assignment is based is of such nature that Bolagsverket (the Swedish Companies Registration Office) in due consideration of the law, is prevented from registering the decision. ES further reserves the right not to record new Financial Instruments in a CSD Register if the Issuer has not, prior to such recording, provided ES with its Legal Entity Identifier (LEI) in accordance with section B 1.8 below.

During the course of the assignment or the term of the Financial Instrument, changes may become necessary in respect of information in the order, conditions, etc. Provided processing in the VPC System is technically possible, information in submitted assignments can be changed while the assignment is in progress. What kind of information and the number of changes that can be made during an ongoing term is limited, which is why ES must be consulted before any changes to the information are made. See also section A 3 regarding if the terms for a recorded Financial Instrument are altered, it is the duty of the Issuer to submit the altered terms immediately to ES for approval of the continuous recording in book-entry of the Financial Instruments.

ES ability to provide services for Financial Instruments is conditioned upon the Financial Instrument included in the confirmed assignment to ES being recorded in the CSD Register as of the intended Record Date.

The term shareholder shall whenever applicable regard owner/holder of other Financial Instruments than shares.

1.1 PLANNING ASSIGNMENTS AND ORDERS

A contact person notified by the Issuer to ES, an Issuer Agent assigned by the Issuer or another party or another duly authorised party is authorised to represent the Issuer in relations with ES in respect of assignments and orders. A number of assignments shall be submitted to ES by an Issuer Agent, as described in section B 4.2.34 below.

Certain orders and assignments are submitted via IssuerCorner. IssuerCorner and the terms applied to the services can be accessed on ES’s website.
1.1.1 The Issuer shall consult ES at an early stage

The issuer, or where applicable another company that via an assigned Issuer Agent is targeting shareholders or owners of other Financial Instruments than shares in a ES-registered company with e.g. a tender offer, shall consult ES at an early stage to ensure that the intended action is possible to implement both from a scheduling and a technical point of view. In consultation with ES, the Issuer or the assigned Issuer Agent determines:

- the terms and Record Date,
- which of ES services regarding Corporate Actions routines are to be used, and
- a timetable for the implementation.

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

Certain orders and assignments are submitted via IssuerCorner. IssuerCorner and the terms applied to the services can be accessed on ES’s website.

1.2 PROSPECTUS, SUBSCRIPTION FORMS AND NOTIFICATIONS

Where applicable, the Issuer or another company that via an assigned Issuer Agent is targeting shareholders in a ES-registered company with an offer designs the prospectus that is to describe the Corporate Action as well as a subscription form in those cases where such a form is to be used. If the Issuer/Issuer Agents prefers a certain notification regarding debit and/or credit of financial instruments not to take place, this shall be stated in the prospectus.

Notification regarding VPC Accounts occurs in accordance with ES General Terms and Conditions section B 4.1. The order to ES must state what kind of notification is to be given and what text is to be used on the notification. Regarding all notifications that are to be distributed an explanatory text in both Swedish and English shall be included in the order to ES.

1.3 RESPONSIBILITY FOR REGISTERED INFORMATION

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

If ES has registered an assignment regarding cash payment and the Issuer or the Issuer Agent respectively thereafter provides ES with a updated assignment to correct or revoke the first assignment, after the point in time when a final assignment must be submitted to ES at the latest, according to Section B 1.7 below, ES has the right to demand a penalty fee from the Issuer, provided that ES is able to correct or revoke the assignment.

1.4 RESERVATION OF ISIN

ES can, at the request of the Issuer or the Issuer Agents respectively, reserve an ISIN for particular Financial Instruments, although not for e.g. subscriptions rights (TR), paid subscription shares (BTA). The request to reserve an ISIN must be delivered to ES by 3.30 pm (15.30) at the latest in order for ES to secure reservation of ISIN on that day.
1.5 STATUS OF ASSIGNMENT REGARDING CASH PAYMENTS OTHER CORPORATE ACTIONS

1.5.1 Preliminary assignments
An assignment to ES that includes the information that, at that time, is available and has been publicly announced. Narrative text for notifications and issue statements shall, whenever applicable, be included.

1.5.2 Confirmed assignments
An assignment to ES including all requested information necessary for execution. The information shall be decided upon, (confirmed) and, whenever applicable, registered with the Swedish Companies Registration Office. If the assignment to ES regards Debt instruments or other Financial Instruments than shares, the terms and conditions for the Financial Instrument shall be final and signed.

1.6 SUBMISSION OF ASSIGNMENT REGARDING OTHER CORPORATE ACTIONS

Unless otherwise indicated in these Rules, all preliminary assignments regarding other corporate actions shall be received by ES as soon as possible after the corporate action has been publicly announced according to applicable law, although not later than at 3 pm (15.00) five (5) Banking Days prior the Record Date.

Confirmed assignments shall be received by ES as soon as possible after all conditions for this status have been fulfilled, although not later than at 3 pm (15.00) one (1) Banking Day prior the Record Date.

If the assignment concerns one of the following types:
- increase or decrease of issued quantity or amount, including such other Financial Instruments than shares as in section B 6,
- issue without preferential rights according to B 4.5,
- issue in kind according to B 4.6,
- takeover tender offer bid according to B 4.7,
- conversion according to B 4.9, or
- reclassification conversion according to B 4.17.2

such an assignment, with status confirmed, shall be received by ES not later than 3 pm (15.00) on a Banking Day for ES to be able to execute the assignment before 5 pm (17.00) the same Banking Day.

1.7 SUBMISSION OF ASSIGNMENTS REGARDING CASH PAYMENTS

1.7.1 Preliminary cash payment assignments
Unless otherwise indicated in these Rules, all preliminary assignments regarding cash payments shall be received by ES as soon as possible after the decision on the cash payment has been publicly announced according to applicable law. Regarding e.g. cash dividend this date is the date when the proposed cash dividend is publicly announced via the notice of the general meeting.

Regarding interest and redemption paid on Debt instruments, preliminary assignment is considered submitted to ES if the terms and conditions of the relevant Financial Instrument include the information deemed necessary for ES. This is conditioned by that the information is included in terms and conditions submitted to ES in connection with the recording of the Financial Instruments in the CSD Register.
1.7.2 Confirmed cash payment assignments

Unless otherwise indicated in these Rules, all confirmed assignments regarding cash payments shall be received by ES as soon as possible after all conditions for this status have been fulfilled, although not later than according to respective section 1.7.2.1 or 1.7.2.2 below.

1.7.2.1 Cash payment assignments regarding Financial Instruments issued in the AM-submarket

<table>
<thead>
<tr>
<th>Type of cash payment assignments</th>
<th>Number of Banking Days prior to the Record Date the confirmed cash payment assignment shall be received by ES.</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Amortisation of Debt instrument</td>
<td>7 (3.00 pm)</td>
</tr>
<tr>
<td>-Early redemption – all types of Financial Instruments</td>
<td>5 (3.00 pm)</td>
</tr>
<tr>
<td>-Redemption (at maturity) (except Debt instrument)</td>
<td>1 (3.00 pm)</td>
</tr>
<tr>
<td>-Dividend on share in CSD-registered companies and on exchange traded fund (ETF)</td>
<td>0 (1.00 pm)</td>
</tr>
<tr>
<td>-Interest on Debt instrument</td>
<td>0 (4.30 pm)</td>
</tr>
<tr>
<td>-Other payment</td>
<td>0 (4.30 pm)</td>
</tr>
</tbody>
</table>

1.7.2.2 Cash payment assignments regarding Financial Instruments issued in the PM-submarket

<table>
<thead>
<tr>
<th>Type of cash payment assignments</th>
<th>Number of Banking Days prior to the Record Date the confirmed cash payment assignment shall be received by ES.</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Interest on Debt instrument</td>
<td>0 (3.00 pm)</td>
</tr>
<tr>
<td>-Redemption of Debt instrument</td>
<td>0 (3.00 pm)</td>
</tr>
</tbody>
</table>

1.8 LEGAL ENTITY IDENTIFIER (LEI)

The Issuer is responsible for providing ES with its Legal Entity Identifier (LEI) before ES undertakes to record any new Financial Instrument in a CSD Register for the Issuer. This shall apply even if the Issuer has initiated the issue prior to the entry into force of the Rules. LEI shall be validated why the Issuer is responsible for submitting documentation to ES in order to validate its LEI and the status of the LEI. The issuer is further responsible for submitting any change of its LEI, including the status of the LEI, to ES.

5 Unless otherwise indicated in these Rules.
6 Regarding cash payment assignments submitted via BondPayments within ES service IssuerCorner.
7 Regarding cash payment assignments submitted via BondPayments within ES service IssuerCorner.
8 Regarding cash payment assignments submitted via ES Plug & Clear.
B. SERVICES, FINANCIAL INSTRUMENTS
A List Register of Owners is a compilation of holders of Financial Instruments for a particular Issuer. ES produces Lists Register of Owners as of Retrieval Dates or when applicable Record dates in accordance with legal requirements and to with assignments order. A List of owners is a compilation of holders of Financial Instruments for a particular Issuer.

There are three types of Lists of Owners for directly registered holders of Financial Instruments, i.e. owners and Nominees with Financial Instruments recorded on VPC Accounts: Register of Shareholders, Register of Creditors and Other Register. Directly registered holders of Financial Instruments and Nominees according to LKF are entered in the Register of Shareholders, Register of Creditors and Other Register maintained by ES.

If the Issuer wishes to obtain information on the nominee registered owners underlying holders of Financial Instruments at the Nominees, i.e. owners that have had their nominee registered Financial Instruments registered with a Nominee, it is possible to order a Nominee List of Owners regarding the owners and Financial Instruments in question. The Nominee List of Owners can be produced together with a Register of Shareholders, Register of Creditors and Other Register.

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

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

ES is not the controller of personal data regarding the processing of personal data found in the Register of Shareholders, Register of Creditors, Other Register or the Nominee List of Owners after such register or list has been delivered to the Issuer or other requesting party. All references to the source of the data shall be to the respective register or list.

2.1 REGISTER OF SHAREHOLDERS

A Register of Shareholders contains information from the CSD Register regarding personal identification number, organisation number or other identification number, name, address, details regarding type and sort of the relevant Financial Instrument, number per relevant sort, sum, holding in per cent of total quantity and voting power of the holding.

The Register of Shareholders shows owners and Nomineesholders of shares (AK) and interim shares (IA), as well as owners of paid subscription shares (BTA) allocated by the board of the Issuer and/or unpaid subscription shares (OTA), if this has been requested by the Issuer.

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9 In relation to a general meeting and so called voting rights registration in accordance with ABL, the Register of Shareholders can include additional information about owners who have had their Financial Instruments Nominee registered.
The Register of Shareholders also shows information about any conversion restrictions, redemption restrictions and restrictions on pre-emption rights regarding CSD-registered Companies. In certain cases, the Register of Shareholders contains a specification of voting power for shares that are the subject of a pre-emption review. This presupposes that the Issuer has specified in the articles of association that the buyer or the seller shall have voting power during the pre-emption period.

Shares that are under a pre-emption review and entered in a temporary pre-emption account, as well as Financial Instruments registered in an issuer account, are also presented in a supplement to the Register of Shareholders as summary items see section A 3.3.24.

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

2.2 REGISTER OF CREDITORS AND OTHER REGISTER

A Register of Creditors or Other Register comprises information from the CSD Register concerning a particular Financial Instrument that is not included in a Register of Shareholders, and contains details relating to the personal identification number, organisation number or other identification number, name, address regarding owners and Nominees respectively and, details regarding type and sort of the relevant Financial Instrument as well as the quantity or amount of Financial Instruments held.

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

Information regarding the content of the Register of Creditors, i.e. owners and Nominees of Debt instruments, may be disclosed to the Administrative Institute or the Agent only if the terms and conditions or the Prospectus for the Financial Instruments in question includes unambiguous provisions to that effect and provided that the Agent and/or the Administrative Institute, as applicable, has entered into a separate agreement with ES regarding the same, in each case in form and substance acceptable to ES. However, ES has no obligation to enter into such agreement with the Agent or the Administrative Institute and has the right at all times to terminate it in accordance with the provisions of such agreement.

Provided that the aforementioned conditions for disclosure of the Register of Creditors to the Administrative Institute or the Agent have been fulfilled, the Issuer confirms that the Agent/Administrative Institute has an independent right to the Register of Creditors, to which the Issuer cannot object in relation to ES. The Issuer undertakes to immediately inform ES if the Agent’s or Administrative Institute’s assignment is terminated and if a replacing Agent or Administrative Institute is appointed.

The Issuer’s reservation of the right of access to information in the Register of Creditors or Other Register can-not entail the right to obtain any additional information than the
above described content of Register of Creditors or Other Register, i.e. cannot regard the right of access to information from ES concerning pledges and other restrictions in the right to dispose of Financial Instruments or payment arising from this.

2.3 NOMINEE LIST OF OWNERS
Nominees are obliged with respect to ES to maintain a list of owners and other rights holders that have had their regarding the Financial Instruments Nominee registered that are managed on behalf of the customer. The Nominee List of Owners contains information about name, personal identification number, organisation number or other identification number, address and number of Financial Instruments held, or the aggregate amount of Financial Instruments held regarding the Nominee registered owners.

At the request of ES, Nominees must, in accordance with LKF, provide ES with information about the owners who have had their underlying holders of Financial Instruments Nominee registered.

2.4 PUBLIC REGISTER OF SHAREHOLDERS AND PUBLIC NOMINEE LIST OF OWNERS
ES is responsible by law for the production of a public Register of Shareholders and a public Nominee List of Owners regarding shares in CSD-registered companies. A public Register of Shareholders and public Nominee List of Owners regarding shares in CSD-registered companies may not be more than three months old and must contain information on shareholders that have more than five hundred shares, i.e. 501 or more shares. ES produces the public Register of Shareholders and public Nominee List of Owners regarding shares in CSD-registered companies four times a year, as of 31 March, 30 June, 30 September and 31 December.

The public Register of Shareholders and public Nominee List of Owners regarding shares in CSD-registered companies must be available to the general public at both ES and the Issuer.

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

The general public is entitled, at a charge to cover ES’s costs, to order a copy of the public Register of Shareholders and the public Nominee List of Owners regarding shares in CSD-registered companies from ES or from the Issuer. If an order relates to a time other than those times above when ES produces, in accordance with legal requirements, public Register of Shareholders and public Nominee List of Owners regarding shares in CSD-registered companies lists by law, ES will notify the relevant Issuer of this.

2.5 ORDER AND DELIVERY
2.5.1 Order and delivery to the Issuer
The ordering and delivery to an Issuer of a Register of Shareholders, Register of Creditors, Other Register and Register of Shareholders as well as the delivery of a public Register of Shareholders and Nominee List of Owners, are always performed electronically via
This also applies to public Register of Shareholders and public Nominee List of Owners regarding shares in CSD-registered companies, Registers of Creditors, Other Registers, and Registers of Shareholders, a public Register of Shareholders, and a public Nominee List of Owners may be delivered in printed form by special order. Delivery requires that the same Financial Instrument that was included in the Issuer’s order is recorded in the CSD Register at the Retrieval Date or Record Date.

The Issuer’s order of a Register of Shareholders, Register of Creditors and Other Registers and Register of Shareholders must be made in IssuerCorner no later than on 15.00 on the Retrieval Date or Record Date. The information on holders is delivered one (1) Banking Day after the Retrieval Date or Record Date. Delivery of public register of Shareholders regarding shares in CSD-registered companies, compiled by ES as of dates stated in section B 2.4, takes place one (1) Banking Day after the Retrieval Date.

The Issuer’s order of a Nominee List of Owners must have reached ES no later than at 15.00 on the two (2) Banking Days before the Retrieval Date. The aforementioned date may only be either a Friday, conditioned by that the Friday is a Banking Day, or the final Banking Day of the month. The delivery of a Nominee List of Owners takes place four (4) Banking Days after the Retrieval Date. The delivery of a public Nominee List of Owners regarding shares in CSD-registered companies, compiled by ES as of dates stated in section B 2.4, takes place six (6) Banking Days after the Retrieval Date.

2.5.2 Order and delivery to the Agent/Administrative Institute

Where the Agent/Administrative Institute has an independent right to disclosure of the Register of Creditors, the ordering of a Register of Creditors is made by written request (in accordance with what is stipulated between the Issuer and ES in Section A 2.7 above). Said request must have reached ES no later than at 15.00 on the Retrieval Date. The Register of Creditors information on holders is delivered one (1) Banking Day after the Retrieval Date. Further details regarding the ordering and delivery of the Register of Creditors are set out in a separate agreement between ES and the Agent/Administrative Institute (see section B 2.2).

2.6 ADDRESS DETAILS

2.6.1 Order and delivery to the Issuer

Address details regarding directly registered owners and Nominees holders of Financial Instruments may be ordered by the Issuer via IssuerCorner. The Issuer’s order of address details must be made in IssuerCorner no later than on 15.00 on the Retrieval Date. The address details are delivered one (1) Banking Day after the Retrieval Date. In order for the Issuer to receive information regarding addresses of owners of Financial Instruments other than shares, the Issuer must have reserved the right of access to information in the Register of Creditors or Other Register in the terms and conditions for the Financial Instrument. Where applicable, the address details information covers addresses of representatives or guardians for a minor. The address details ordered are delivered electronically via IssuerCorner. Delivery requires that the same Financial Instrument that was included in the Issuer’s order is posted in the CSD Register at the Retrieval Date.

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Order of a general meeting register of shareholders shall instead be done according to section B 4.1.1.
2.6.2 Order and delivery to the Agent/Administrative Institute
Where the Agent/Administrative Institute has an independent right to receive the Register of Creditors, the ordering of address details for holders of other Financial Instruments than shares is made by written request (e-mail and fax messages are considered as written). Said request must have reached ES no later than at 15.00 on the Retrieval Date. The address details are delivered one (1) Banking Day after the Retrieval Date. Further details regarding the ordering and delivery of address details for holders of other Financial Instruments than shares are set out in a separate agreement between ES and the Agent/Administrative Institute (see section B 2.2).

2.7 MESSAGE ROUTINE
ES’s message routine is a service whereby the Issuer has the possibility to send brief information to certain categories of directly-registered shareholders or owners of other Financial Instruments than shares. The Issuer can by using this service select owners with a holding equal to e.g. a specific number/amount or within a specified range of Financial Instruments or holders with address in a certain area.

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

If the Issuer chooses delivery as hardcopy, the information text may consist of a maximum of nine lines of sixty characters per line. The message routine can also send these in envelopes together with other enclosures, although only via an external distributor. ES can process one message routine per Issuer and Banking Day meaning that if the Issuer would like to direct messages with separate contents to holders of a Financial Instrument that needs to be done via separate assignments regarding separate Banking Days.

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

Submission of assignment regarding message routine to ES, shall follow the rules stated in section B 1.6.
B 3. PAYMENTS

3.1 GENERAL ABOUT CASH PAYMENT VIA ES
At the request of the Issuer, ES shall distribute cash payment (payment) such as cash dividend, interest, repayment of capital amount (redemption) or other payment regarding Financial Instruments recorded in a CSD Register with ES. The payment shall be disbursed to those who as per the Record Date, according to the CSD Register and where applicable the Register of Shareholders, are entitled to this.

See section B 1.7 above regarding when in relation to the Record date the assignment regarding cash payments shall be received by ES.

ES can accept assignments to distribute cash-payments in Swedish krona (SEK), Euro (EUR) or in certain circumstances also Other currency.

ES is obliged by law to withhold Swedish tax (preliminary tax and/or withholding tax) on e.g. dividend payments as well as interest payments that are disbursed via ES in accordance with section A 6. ES provides the Issuer with a report of the amounts disbursed. ES’s obligations presuppose that the Issuer has fulfilled all its obligations to ES in accordance with these Rules ES Issuer Rules.

3.2 CASH PAYMENT DISBURSED VIA BANKGIROT OR VIA ES CLEARING AND SETTLEMENT
ES distributes cash-payment either via Bankgirot or via ES Clearing and Settlement. Selection between the two alternatives is primarily done based on if the Financial Instrument relevant for the cash payment on the relevant Record Date is recorded on a VPC Account in the AM or PM submarket. For Financial Instruments recorded in the AM submarket cash payment in SEK or EUR is disbursed via Bankgirot. Regarding Financial Instruments recorded in the PM submarket cash payment is disbursed via ES Clearing and Settlement. Cash payment in Other currency, for Financial Instruments recorded in the AM submarket, is also disbursed via ES Clearing and Settlement.

Financial Instruments issued in the PM submarket can under certain circumstances be transferred to a VPC Account in the AM submarket, and thereby be recorded in the AM submarket. In such cases, where a Financial Instrument issued in the PM submarket on the Record Date is recorded on a VPC Account in the AM submarket, payment is disbursed via Bankgirot instead of via ES Clearing and Settlement. Financial Instruments issued in the AM submarket cannot be transferred to a VPC Account in the PM submarket.

3.2.1 Way of disbursement per security type/currency

<table>
<thead>
<tr>
<th>Type of Financial Instrument or Currency</th>
<th>Bankgirot</th>
<th>ES Clearing and Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate – security type DI</td>
<td>(X¹¹)</td>
<td>X</td>
</tr>
<tr>
<td>(Commercial papers, Corporate, Bank or Municipal certificates etc)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹¹ Debt instruments issued within PM can in certain cases also be recorded on a VPC Account in the AM-submarket. Cash payments regarding those specific holdings are in such cases disbursed via Bankgirot.
B. SERVICES, FINANCIAL INSTRUMENTS

| Bonds – security type RB (Only those RB issued in the PM, e.g. mortgage bonds) | (X\(^{12}\)) | X |
| All cash payments in Other currency independent of security type | | X |
| Shares – security type AK | X |
| Bonds – security type RB (Those RB not issued in the PM) | X |
| Other Financial Instruments than above | X |

3.2.2. Cash payment via Bankgirot
Cash payment in SEK and EUR regarding Financial Instruments recorded in the AM-submarket, independent of if issuance occurred in the AM or PM submarket, is disbursed via Bankgirot and their service “Emittentutbetalningar” (see section B 3.3.1.1 below about Bankgirot and their service “Emittentutbetalningar” and payment account).

3.2.3 Cash payment via ES Clearing and Settlement
Cash payment in SEK and EUR regarding Financial Instruments issued and at the Record Date recorded in the PM submarket, plus cash payments in Other currency regarding Financial Instruments issued in the AM submarket, independent of security type, is disbursed via ES Clearing and Settlement.

Financial Instruments issued in the PM submarket are Debt instruments recorded as security types discount notes (DI) and some bonds (RB), normally different types of mortgage bonds. This in line with ES General Terms and Conditions Account Operations and Clearing, section C 6. See section A 3 for more information about respective submarket and Financial Instruments therein.

3.3 ISSUERS’ PROVISION OF PAYMENT CAPACITY
The Issuer shall provide funds/payment capacity differently dependent on if disbursement shall occur via Bankgirot or via ES Clearing and Settlement according to B 3.2 above.

Financial Instrument issued in PM can, according to above, in certain cases be recorded on a VPC Account in AM. Disbursements to such holdings occur via Bankgirot.

3.3.1 Issuers’ provision of payment capacity for disbursement via Bankgirot
Regarding disbursement via Bankgirot and the service “Emittentutbetalningar” the Issuer shall, in due time prior to the relevant Record Date for the disbursement, submit information about the payment account to be used by the Issuer according to below.

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\(^{12}\) Debt instruments issued in PM can in certain cases also be recorded on a VPC Account in AM. Disbursements to such holdings occur via Bankgirot.
3.3.1.1 About payment account

The payment account shall be a bank account opened by the Issuer in one of the banks participating in Bankgirots service “Emittentutbetalningar”. For information about which banks that are participating, see ES homepage www.euroclear.com.

If the Issuer has several Financial Instruments for which disbursements shall occur via Bankgirot, the same payment account will be used per payment currency. If e.g. the Issuer have both bonds and shares recorded in AM and assigns ES to distribute both dividend and interest, the Issuer shall credit the same payment account for both disbursements, if the disbursements regard the same currency and is to be made via Bankgirot.

The Issuer is responsible to ensure with the bank where the Issuer opened the payment account that ES in entitled to, via Bankgirot, debit the payment account in accordance with the assignment from Issuer regarding cash payment. The Issuer’s payment account is charged on the payment date.

3.3.2 Issuers’ provision of payment capacity for disbursement via ES Clearing and Settlement

Regarding disbursement and payment capacity, cash payment via ES Clearing and Settlement shall follow section C 6 in ES General Terms and Conditions Account Operations and Clearing. It’s the Issuer Agent, assigned by the Issuer, and its Clearing member that register a so called settlement headroom to enable disbursement.

Debt instruments issued in PM can in certain cases, according to the above, also be recorded in a VPC Account in AM as of the Record Date why disbursement reading such holding shall be made via Bankgirot. In such a scenario the Issuer shall, in addition to the above described arrangement with an Issuer Agent and its Clearing member, also have a payment account according to section B 3.3.1.1 above.

3.4 PRE-SETTLEMENT CHECK

3.4.1 Pre-settlement check regarding disbursement via Bankgirot

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

The Issuer shall make funds available to ES in the payment account at the latest at such time that enables the bank where the Issuer opened its payment account to, as early as possible on the payment date, approve the debit of the payment account to Bankgirot. This shall follow the routines and times decided by Bankgirot and the banks participating in the service “Emittentutbetalningar” to assure disbursement to the relevant recipients on the payment date.

13 For Financial Instruments issued in PM that as of the Record Date is recorded in AM, a separate payment account can be applied if instructed by the Issuer.
In the event Debt instruments issued in the PM submarket recorded in a VPC Account in the AM submarket as of the Record Date, why disbursement regarding those VPC Accounts occur via Bankgirot instead of via ES Clearing and Settlement, there is no automatic transfer of payment to the following Banking Day if sufficient funds are not available in the payment account during any of the above pre-settlement checks. Instead, the cash payment assignment is reported back to ES on the actual payment date.

If funds are not available in the payment account after all the above mentioned pre-settlement checks have been made, ES has the right to demand a penalty fee from the Issuer.

3.4.2 Pre-settlement check regarding disbursement via ES Clearing and Settlement

Regarding disbursements via ES Clearing and settlement the Issuer shall ensure, via its Issuer Agent and its Clearing member, that payment capacity is available in the VPC System according to section 3.2.3 above.

In the event Debt instruments issued in the PM submarket recorded in a VPC Account in the AM submarket as of the Record Date, why disbursement regarding those VPC Accounts occur via Bankgirot instead of via ES Clearing and Settlement, there is no automatic transfer of payment to the following Banking Day if sufficient funds are not available in the payment account during any of the above pre-settlement checks. Instead, the cash payment assignment is reported back to ES on the actual payment date.

If funds are not available in the payment account after all the above mentioned pre-settlement checks have been made, ES has the right to demand a penalty fee from the Issuer.

3.5 PAYMENT DATE IN RELATION TO RECORD DATE

The relation between payment date and Record Date vary due to:

- Type of cash payment assignment
- If relevant Financial Instrument is issued in the AM or the PM submarket
- If relevant Financial Instrument is issued in the PM submarket but recorded in the AM submarket
- The currency the cash payment, primarily, is to be disbursed in

3.5.1 Cash payment in SEK regarding Financial Instrument issued in the AM submarket

<table>
<thead>
<tr>
<th>Type of cash payment</th>
<th>Number of Banking Days after the Record Date that the payment date occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividend in a CSD-registered company and regarding ETF</td>
<td>3</td>
</tr>
<tr>
<td>Redemption of warrant or basket certificate</td>
<td>4</td>
</tr>
<tr>
<td>- Interest for Debt instrument</td>
<td>5</td>
</tr>
<tr>
<td>- Redemption of Debt instrument</td>
<td></td>
</tr>
<tr>
<td>- Amortisation of Debt instrument</td>
<td></td>
</tr>
<tr>
<td>Other payment</td>
<td>3 or 5(^{14})</td>
</tr>
</tbody>
</table>

\(^{14}\) The option between 3 or 5 Banking Days after the Record Date depend on the type of cash payment the assignment to ES within the service Other payment concern.
3.5.2 Cash payment in SEK regarding Financial Instrument issued in the PM submarket

<table>
<thead>
<tr>
<th>Type of cash payment</th>
<th>Number of Banking Days after the Record Date that the payment date occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of Debt instrument</td>
<td>1</td>
</tr>
<tr>
<td>Redemption of Debt instrument</td>
<td>2</td>
</tr>
<tr>
<td>Interest for Debt instrument</td>
<td>5</td>
</tr>
</tbody>
</table>

3.5.3 Cash payment in EUR

<table>
<thead>
<tr>
<th>Type of cash payment</th>
<th>Number of Banking Days after the Record Date that the payment date occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payment in EUR</td>
<td>5</td>
</tr>
</tbody>
</table>

3.5.4 Cash payment in Other currency

<table>
<thead>
<tr>
<th>Type of cash payment</th>
<th>Number of Banking Days after the Record Date that the payment date occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of warrant or basket certificate</td>
<td>4</td>
</tr>
</tbody>
</table>

3.6 PAYMENT DATE IN RELATION TO DUE DATE

The payment date is normally the same date as the due date. If the due date occurs on a date that is not a Banking Day, the payment date is altered to be the following Banking Day if not otherwise specified in the terms and conditions for the relevant Financial Instrument.

3.7 DISBURSEMENT OF CASH PAYMENT TO RECEIPIENTS

Disbursement of cash payment to the eligible recipient as of the Record Date is processed differently depending on if disbursement is made via Bankgirot or via ES Clearing and Settlement.

3.7.1 Disbursement of cash payment to recipients via Bankgirot

Cash payment is disbursed to recipients on the payment date via Bankgirot. Information is then sent to the recipients in the form of a securities statement. A credit is made to the so-called income account (e.g. a bank account in accordance with ES General Terms and Conditions Account Operations and Clearing that as of the Record Date was registered on the VPC Account) by the bank on the payment date. The credit made by the bank is conditioned upon the Issuer having sufficient payment capacity on its payment account and Bankgirot having received a positive response on its pre-settlement check. If the cash payment is not to be paid into an account, the payment is sent via a Bankgiro note to recipients domiciled in Sweden. Payment to recipients domiciled abroad is made via the banks’ international payment system SWIFT or by foreign cheque. ES reserves the right to unilaterally, in whole or in part, cease to distribute payments through Bankgiro notes and/or foreign cheques by informing the Issuer thereof in accordance with section A 2.7 above.

3.7.2 Disbursement of cash payment to recipients via ES Clearing and Settlement

Cash payment is disbursed in accordance with ES General Terms and Conditions Account Operations and Clearing section C 6. Within this process it is the Issuers assigned Issuer Agent and its Clearing member that credit the cash payment to the eligible recipients.

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15 Regarding Debt instrument both issued and recorded in the PM submarket.

16 Regarding Debt instrument issued in the PM submarket but recorded in the AM submarket.
3.8 CUT-OFF FOR SUBMITTING CASH PAYMENT ASSIGNMENTS
See section B 1.7 above regarding submission of cash payment assignments.

3.9 INTERFACES FOR SUBMITTING CASH PAYMENT ASSIGNMENTS

Unless otherwise stated in these Rules the Issuer Rules assignments shall be submitted to ES in accordance with section B 1 above. Regarding a number of types of cash payment assignments ES submit a template to the Issuer. In addition, ES make a number of forms regarding cash payment assignments available on ES webpage. These templates and forms can be used to submit cash payment assignments to ES. In certain cases cash payment assignments can be submitted to ES via IssuerCorner or ES Plug & Clear.

3.9.1 IssuerCorner
Cash payment assignments regarding cash dividend for CSD-registered companies shall be submitted via IssuerCorner. Cash payment assignments regarding interest and redemption on Debt instruments issued in AM shall in certain cases be submitted to ES via IssuerCorner and Bond Payments.

3.9.1.1 BondPayments
Cash payment assignments regarding Debt instruments issued in AM by Issuers registered for Bond Payments shall be submitted via Bond Payments. Bond Payments can be reached via IssuerCorner.

3.9.2 ES Plug & Clear
Cash payment assignments regarding warrants and basket certificates issued in AM via ES Plug&Clear shall be submitted via ES Plug&Clear.

3.10 EXAMPLES OF CASH PAYMENTS

Below follows descriptions of examples of cash payments that ES can accept assignments for. The descriptions below include the assumption that the payment currency is set to SEK. In cases where the payment currency is set to EUR, currency exchange from EUR to SEK according to the description in a separate section below needs to be added whenever relevant.

3.10.1 Cash dividend
Assignment regarding cash dividend shall be submitted by the Issuer, conditioned that the Issuer is a CSD-registered company, to ES via the service IssuerCorner.

A preliminary assignment shall be submitted to ES in accordance with section B 1.7 above, in relation to when the Issuer makes the suggested dividend public e.g. via the general meeting notice.

When the general meeting have passed a decision on cash dividend the Issuer shall, as close as possible thereafter and no later than in accordance with section B 1.7 above, submit a confirmed assignment to ES to either confirm or update the preliminary assignment.

The Record Date for a cash dividend in a CSD-registered company is normally two (2) Banking Days after the day of the general meeting. This can vary if the general meeting

17 Currently IssuerCorner have a limit of one cash payment assignment regarding cash dividend per registered general meeting. Additional cash dividends decided upon by one and the same general meeting is therefore to be submitted to ES outside of IssuerCorner.
passes decisions on more than one cash dividends to be disbursed as of more than one Record Date on more than one payment date. The relation between the Record Date and payment date is described in section B 3.5 above.

ES shall, via Bankgirot, debit the Issuers payment account on the payment date in accordance with above described process for cash payments disbursed via Bankgirot. Swedish tax, in accordance with section A 6 above, shall also be debited the Issuers payment account on the payment date.

3.10.1.1 Disbursement of cash payment to eligible recipients
On the payment date the cash dividend shall be disbursed via Bankgirot to the eligible recipients in accordance with section B 3.7 above.

3.10.1.2 Issuer’s own shares
Shares considered, by the Issuer, to be the Issuer’s own shares can be excluded from cash dividend. The Issuer shall include information security sort and information about what/which VPC Account/s the shares that are to be excluded are recorded on in the preliminary assignment to ES to enable ES to process the exclusion as of the Record Date. If the shares are nominee registered the above described exclusion is not possible for ES to process. If the number of shares to be excluded is altered between the time of submitting the preliminary assignment and the confirmed assignment, the number of shares to be excluded shall be updated in the confirmed assignments.

3.10.1.3 Shareholders to be excluded from the cash dividend
If any shareholder, other than regarding such shares that are considered to be the Issuer’s own shares, according to the above, is to be excluded from the cash dividend, that holder’s shares must be converted into shares with a separate security sort e.g. U (U indicate share without the right to dividend) that will not generate any cash dividend as of the Record Date.

A shareholder that are to be excluded from a cash dividend shall contact his/her/its Account Operator in due time prior to the Record Date in order to have the shares transferred to an account specified by ES. ES shall thereafter process the conversion to the security sort not eligible to receive any cash dividend. The Issuer is advised that the general meeting consider, in relevant cases, that it may take a couple of extra days for such conversion when deciding upon the Record Date to be applied for the cash dividend. The Record Date might need to be later than the second (2) Banking Day after the date of the general meeting in such cases.

3.10.1.4 Cash dividend regarding shares recorded as bonus share rights
Cash dividend is normally not disbursed to bonus shares rights. Cash dividend regarding shares recorded as bonus shares rights is reported to the Issuer on the payment date to the bank account specified by the Issuer for dividend funds barred by the statute of limitations.

3.10.1.5 Limitation of cash dividend
If ES is unable to process cash payment regarding one or several VPC Accounts or specific shareholders, e.g., due to the absence of an income account on the VPC Account, the rights to cash dividend is barred according to the statute of limitations 10 years after the Record Date. When the right of a shareholder to dividend has been barred according to the statute of limitations, 10 years after Record Date, ES sends a final report on the remaining dividend to the Issuer. Remaining funds are transferred to the Issuer. In the case of uncashed cheques

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and bank-giro notes (provided ES has not ceased handling these in accordance with B 3.7.1), the Issuer receives details about the recipients.

3.10.2 Cash payments regarding Debt instruments recorded in the AM submarket
Cash payments regarding Debt instruments recorded in the AM submarket, independent if issuance occurred in the AM or PM submarket, is disbursed via Bankgirot according to description above.

3.10.2.1 Interest and redemption regarding Debt instruments recorded in the AM submarket
Record Date and payment date regarding interest payment and redemption of Debt instruments recorded in the AM submarket typically follow the terms and conditions regarding the relevant Financial Instrument. The relation between the Record Date and the payments date follow section B 3.5 above. The payment date is normally the same date as the due date. If the due date occur on a date that is not a Banking Day, the payment date is altered to be the following Banking Day if not otherwise specified in the terms and conditions for the relevant Financial Instrument. If the Debt instrument is subject for redemption prior to the original due date, i.e. early redemption, the Record date shall also be adjusted, earlier, in parallel. Such assignment regarding early redemption shall be received by ES in accordance with section B 1.7 above. In relation to redemption processing the Financial Instrument is deregistered from VPC Accounts as of the Record Date.

3.10.2.2 Amortisation regarding Debt instruments recorded in AM
Regarding amortisation the relation between the Record Date and the payment date follow section B 3.5 above. The payment date is normally the same date as the due date. If the due date occur on a date that is not a Banking Day, the payment date is altered to be the following Banking Day.

3.10.3 Redemption of warrants (WT) and basket certificates (KRG)
The relation between the Record Date and the payment date follow section B 3.5 above. The payment date is normally the same date as the due date. If the due date occurs on a date that is not a Banking Day, the payment date is altered to be the following Banking Day if not otherwise specified in the terms and conditions for the relevant Financial Instrument. If the Debt instrument is subject for redemption prior to the original due date, i.e. early redemption, the Record date shall also be adjusted, earlier, in parallel. Such assignment regarding early redemption shall be received by ES in accordance with section B 1.7 above.

3.10.3.1 Redemption of warrants and basket certificates via ES Plug & Clear
Issuer that has signed an agreement with ES regarding ES Plug & Clear shall submit assignments regarding redemption to ES in a so called CSV-format via ES Plug & Clear. One more advantage with ES Plug & Clear is that assignments to ES regarding redemption can be submitted closer to the Record Date than assignments submitted outside of ES Plug & Clear, in accordance with section B 1.7 above.

3.10.3.2 Redemption of warrants and basket certificates via ES Plug & Clear with cash payment in Other currency
Cash payment assignments regarding redemption of warrants and/or basket certificates with payment in Other currency can in certain circumstances be submitted to ES via ES Plug & Clear. Disbursement shall in those cases follow the description above regarding disbursement via ES Clearing & Settlement.
3.10.4 Other payment for Financial Instrument in AM
Under certain circumstances ES can distribute cash payments via the service Other payment regarding some Financial Instruments issued within the AM submarket. Other payment is a service which ES can offer in addition to other existing and pre-defined services for distributing cash payments, such as cash dividend, interest or redemption. The service Other payment include additional flexibility which require additional information to be included in the assignment to ES from the Issuer, e.g. what type of cash payment the Issuers assignment to ES regards, ES processing of Swedish tax, ES processing of statements of income etc.

3.10.5 Cash payments for Debt instruments in PM
Cash payments for Debt instruments issued and recorded in the PM submarket is disbursed via ES Clearing and Settlement, as described above.

Debt instruments issued in PM can be recorded on a VPC Account in the AM submarket. Disbursement regarding Debt instruments recorded on a VPC Account in AM as of the Record Date is distributed via Bankgirot. The Issuer shall therefore, regarding assignments for interest and/or redemption regarding Debt instruments issued in PM, ensure that payment capacity is made available for disbursement via both Bankgirot and ES Clearing & Settlement. Debt instruments issued in PM are debited from VPC Accounts on the payment date.

3.10.6 Cash payment in EUR for Financial Instruments issued in AM
Cash payment in EUR is disbursed via Bankgirot according to the description above, in relevant cases complemented by the processes for exchange of EUR to SEK described below. Please note the relation between the Record Date and the payment date for cash payment in EUR according to section B 3.5 above.

3.10.6.1 Exchange of EUR to SEK
Part of cash payment in EUR disbursed via Bankgirot can in certain cases need to be exchanged into SEK. Reasons for such need to exchange can be that the recipient is unable to receive a disbursement in EUR according to information on the VPC Account, i.e. if no income account for EUR is registered on the VPC Account. Other reasons can be that ES, according to section A 6 above, shall withhold Swedish tax from the cash payment. Such tax shall be paid to the Swedish Tax Agency in SEK. Nominees are also in relevant cases enabled to request exchange from EUR to SEK on behalf on owners of nominee registered Financial Instruments.

The Issuer is, whenever relevant, responsible to arrange for such exchange from EUR to SEK according to the conditions for the below described process for exchange.

3.10.6.2 Issuer needs payment account for both EUR and SEK
If cash payment is to be disbursed in EUR, the Issuer shall have a payment account for EUR and a payment account for SEK given the fact that part of the disbursement in EUR might need to be exchanged into and disbursed as SEK.

3.10.6.3 Information for exchange
As of the Banking Day following the Record Date, ES is enabled to determine if exchange from EUR to SEK is needed and the scope of the need regarding Financial Instruments recorded on VPC Accounts. In addition to that ES enables the Nominees to request for

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18 Regarding non-Swedish shares and other Financial Instruments than shares where ES is not the primary CSD, so-called Issuer CSD, exchange is typically arranged for by ES, unless otherwise stated in Affiliation Agreement.
exchange of EUR to SEK on behalf on owners of nominee registered Financial Instruments during a limited time after the Record Date according to below.

After noon (12.00), two (2) Banking Days after the Record Date ES can compile the total needs for exchange from EUR to SEK, where after ES inform the Issuer of the amount in EUR to be exchanged.

No later than noon (12.00) three (3) Banking days after the Record Date, the Issuer shall submit information to ES about the exchange rate for EUR to SEK to be applied plus information about the sum in EUR and the sum in SEK to be disbursed. The respective sum in EUR and SEK shall be made available in respective payment account in accordance with section B 3.3 above.
B 4. SERVICES FOR GENERAL MEETINGS AND OTHER CORPORATE ACTIONS – SWEDISH SHARES

4.1 GENERAL MEETING

4.1.1 Ordering general meeting register of shareholders

The general meeting register of shareholders is a Register of Shareholders to which Nominees are given the opportunity to include shareholders who have had their Financial Instruments Nominee registered via voting rights registration in accordance with ABL. As opposed to other Register of Shareholders, information about shareholders registered via a Nominee can therefore be included in a general meeting register of shareholders.

The Issuer must submit an order/assignment to ES for the general meeting register of shareholders as soon as the board has determined and publicly announced the date of the meeting, although not later than 28 calendar days before the general meeting. In the case of an extraordinary general meeting, the Issuer must place an order for the general meeting register of shareholders with ES as soon as the board of directors have determined and publicly announced the date for the general meeting, although at the latest 14 calendar days before the general meeting. The Issuer can order address details from ES, via Issuer Corner, if needed to distribute the meeting notice. Where possible, a preliminary assignment concerning the proposed dividend shall be included in the order. After ES has registered the order for the general meeting register of shareholders, the voting rights routine is opened, i.e. the routine whereby the Nominee is able to register the voting rights of owners of nominee registered shares. In the event the Issuer chooses to cancel a general meeting, ES must be informed of this immediately.

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

The general meeting register of shareholders is compiled on the day that occurs five Weekdays before the general meeting, known as Record Date for the general meeting register of shareholders. If the Record Date for the general meeting register of shareholders falls on a day that is not a Banking Day, the general meeting register of shareholders will be compiled on the Banking Day immediately preceding this day. The register will, however, be dated with the date of the Record Date.

The register is delivered to the company electronically via IssuerCorner, the delivery is made on the first Weekday after the Record Date. The general meeting register of shareholders can be obtained in printed form if specially ordered.
4.1.2 Content of the general meeting register of shareholders

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

Information about owners and Nominees to Unallocated OTA and BTA are shown in a separate list.

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

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

4.1.3 Entitlement to attend a general meeting

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

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

4.2 OTHER CORPORATE ACTIONS

The description below regarding ES services do, unless otherwise stated below, concern services related to Other Corporate Actions than cash payments and general meeting related services on regarding Swedish shares, i.e. shares in CSD-registered companies.

Under certain circumstances the services described for non-Swedish foreign shares in section B 5 and services described for other Financial Instruments than shares in section B 6 can include the services described below. I all such cases it is of utmost importance to take notice of section B 1 and B 1.1 prior to the Issuers decision regarding such services.

The term shareholder shall whenever applicable regard owner/holder of other Financial Instruments than shares.

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19 Nominee registered Financial Instruments that have not been subject to voting rights registration will be listed under the respective Nominee in the general meeting register of shareholders.
4.2.1 Categories of Other Corporate Actions

Other Corporate Actions can regard either a:
- distribution or
- reorganisation

A distribution is an Other Corporate Action where Financial Instruments, cash payments or a combination of the two are distributed to eligible recipients according to the Register of Shareholders and the CSD Register as of a Record Date regarding underlying Financial Instruments, without altering or replacing the quantity/amount of the underlying Financial Instruments.

A reorganisation is an Other Corporate Action where Financial Instruments, cash payments or a combination of the two are distributed to eligible recipients according to the Register of Shareholders and the CSD Register as of a Record Date regarding underlying Financial Instruments and thereby replacing the underlying Financial Instruments.

Other corporate Actions can also be:
- mandatory, without option, for shareholders,
- mandatory, with an (or more) option/s, for shareholders or
- voluntary for shareholders

4.2.2 Only one type of Other Corporate Action per Issuer per Record Date

In the VPC System Other Corporate Actions are processed per Issuer and not per Financial Instrument. There is therefore a restriction, in many cases, to process only one Other Corporate Action of a certain type per Issuer per Record Date. For example it is only possible to process one rights issue event per Issuer per Record date or one bonus issuer per Issuer per Record Date.

Conditioned by that it regard different types of Other Corporate Actions, more than one Other Corporate Action can however be processed per Issuer per Record Date. It is for example possible to process both a split and a bonus issue regarding one Issuer as of the same Record Date.

4.2.3 Appointment of Issuer Agent

In the event of voluntary Other Corporate Actions and mandatory Other Corporate Actions where the shareholder has a choice one or more option/s, an Issuer Agents shall be assigned by the Issuer for response handling regarding the Other Corporate Action event. The Issuer shall also assign an Issuer Agent regarding and for certain mandatory corporate actions where the shareholder has no choice, an Issuer Agent must be appointed by the Issuer to handle parts of the Other Corporate Action towards ES. Examples of such parts of a Corporate Action can be the sale of Financial Instruments to handle cash in lieu or support in the process of collecting Swedish withholding tax when processing a securities dividend in accordance with section B 4.15. The Issuer Agent, on instruction from the Issuer, is responsible for among other things the response handling regarding instructions from holders of subscription rights to subscribe for portion of shares in a rights issue, handling the sale of excess odd e.g. subscription rights or, where applicable, the special treatment of shareholders domiciled in countries that are exempted from the offer. Where applicable, the Issuer Agent is also responsible to generate contract notes, statements of income and any cash payment.

Examples of Other Corporate Actions where Issuer Agents must be appointed:
- rights issue
- private placement
- takeover bid / tender offer
- purchase offer
- reduction of equity through voluntary redemption
- reverse split in certain cases

Examples of corporate actions where Issuer Agents do not need to be appointed:
- split
- bonus issue in certain cases
- compulsory redemption

4.2.42 General rules regarding some non-Swedish foreign shareholders
For shareholders resident in certain countries, such as the USA, Japan or Canada, to be able to subscribe for shares or participate in Other Corporate Actions, it is incumbent on the Issuer to apply for the necessary permission from the authorities in the countries in question. If the Issuer has chosen not to apply for the requisite permission from a foreign authority, the Issuer Agent shall in such cases give special treatment to shareholders resident in those countries where such permission is required.

4.2.53 Confidentiality during distribution
For reasons of confidentiality with regard, for example, to a pledge holder, a representative, etc., distribution of e.g. a Issue Report in the event of various types of Other Corporate Actions may not take place within the Issuer’s own organisation, which is why an Issuer must engage an external distributor in such cases. However, this distributor must enter into a separate confidentiality agreement with ES.

4.2.6 Ratios for Other Corporate Actions in the VPC System
The ratio for Other Corporate Actions in the VPC System is expressed as X:Y, where X regard the quantity/amount of a Financial Instrument representing a yield or that is credited for other reasons as a result of the Other Corporate Action and Y regard the quantity/amount of an underlying Financial Instrument. In the VPC System it is, regarding quantity, only possible to assign values to X and Y as numbers without decimals. For example the ratio for a distribution can be set to 2:5, where 2 is credited for every holding of 5, but not as 1:2.5.

Unless otherwise indicated in these ES Issuer Rules X and Y can be assigned values between and including 1-999.

4.2.7 Quantity/amount of Financial Instruments at the time of decision and Record Date respectively
It is the Issuer’s responsibility that the quantity/amount of shares or other Financial Instruments that are recorded by ES as of the Record date for an Other Corporate Action is in line with the quantity/amount that was the basis for the Issuer’s decision about the Other Corporate Action. The Issuer’s responsibility include to e.g. make sure that the quantity of shares have not increased due to conversion (see section B 4.9) or exercise of subscription options (see section B 4.18.4) as of the Record Date in a way not foreseen in the decision on the Other Corporate Action.
4.2.8 Payment in relation to Other Corporate Actions
ES does not undertake to disburse repayment in relation to an Other Corporate Action, such as reduction of equity with repayment to shareholders or payment of compensation for rounding other than in cash in Swedish currency unless a special agreement on the processing thereof has been entered into with the Issuer.

4.2.9 Transfer of Financial Instruments in connection with reorganisations
A reorganisation will, unless otherwise indicated in these ES Issuer Rules, affect the Financial Instrument to be replaced with a last possible settlement date regarding transfer orders. This last possible settlement day normally coincides with the Record Date of the reorganisation. For example, BTA issued in a rights issue will receive a last possible settlement day for transfer orders as of the day set to be the Record Date regarding conversion of BTA to shares with security-type AK.

4.2.10 Recording in CSD Register after registration with Bolagsverket
In relation to Other Corporate Actions, and in line with initial recording in the CSD Register according to A 3.2.1, regarding Share Related Transferrable Securities, unless otherwise indicated in these ES Issuer Rules, any increase or decrease of the number of shares recorded in the CSD Register must be preceded with an equivalent registration by Bolagsverket.

4.3 ISSUANCE OF NEW SHARES
Issuance of new shares is a way for the Issuer company to increase its share capital by injecting new capital either in the form of cash funds or other assets. ES offers three different services for issuance of new shares: new issue of shares with preferential rights to existing shareholders as of a Record Date i.e. rights issue and new issue of shares without preferential rights also known by ES as private placement, and an issue in kind.

If the Issuer has any current conversion orders (see section B 4.9) or recorded subscription options that can be exercised to subscribe for new shares (see section B 4.18.4), these must be adjusted by the Issuer Agent where applicable.

4.3.1 Decision on issuance of new shares
A decision regarding issuance of new shares is made by a general meeting, by the Issuer’s board pursuant to authorisation by the general meeting or by the Issuer’s board subject to approval by the general meeting. In the event the decision on the new issue of shares includes the issuing of paid subscription shares (BTA), the decision, and where applicable the authorisation, must be submitted to ES together with the order for the corporate action.

In the event that the company’s shares are a Listed Financial Instrument, it is possible for the board, or a person appointed internally by the board, to be given a mandate to decide, before the subscription period has begun to apply, the amount by which the company’s share capital is to be increased and the amount to be paid for each new share.

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

In the event that the board is able to make a decision on an issuance of new shares, conditional on an approval at a general meeting, the Record Date may not be set earlier
than that a confirmed issue assignment is received by ES in accordance with B 1.6. However, this is not applicable if the Issuer offers the investors an alternative sales procedure whereby it is possible for transferred subscription rights to be re-transferred to the transferor and that issued BTA’s cannot be transferred in the VPC system prior to the general meeting’s approval of the board’s decision of the rights issue.

4.4 RIGHTS ISSUE

In an rights issue the shareholders as of a specific Record Date are offered the right to subscribe for new shares for cash payment in relation to their previous holdings of shares. The shareholders receive subscription rights (TR), which entitle them to subscribe for new shares according to certain terms and conditions at a set price. The terms for subscription are usually expressed as X:Y. Holdings of Y number of old shares entitle the holder to subscribe for X number of new shares. Variations of this could occur, for example, X subscription rights are allocated for each fraction of Y number of old shares, and Z new shares are received for each Y subscription rights.

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

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

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

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

Subscription rights issued by CSD-registered companies shall be recorded in a CSD Register in accordance with Chapter 11 section 8 ABL. Also OTA and BTA respectively issued by a CSD-registered company shall be recorded in a CSD Register in accordance with Chapter 4 section 2 LKF.

4.4.1 Subscription

ES’s services regarding rights issue is set up to support subscription of new shares by way of cash payment of a set price in SEK per share, where the price is set with maximum two decimals.
The most common method of subscription is for the shareholders to subscribe for new shares by way of paying submitting a payment. In such cases, ES produces the shareholders receive an Issue Report with a pre-printed payment slip that is used for subscription by way of paying and if the subscription is to be made for the whole allocation of subscription rights according to the terms of the rights issue.

If subscription by way of notification is applied ES produces an Issue Report without a pre-printed payment slip. The shareholder send the subscription notification to the Issuer Agent that register the instruction in the CSD Register, resulting in the exercised subscription rights in the VPC Account are converted to unpaid subscription shares (OTA). Otherwise, the application form is used. When the payment is to be made, ES sends the pre-printed payment slips to the shareholders.

When the payment for the subscribed shares has been received and registered by the Issuer Agent, the exercised subscription rights, or OTA if subscription by way of notification is applied, on the VPC Account are converted to paid subscription shares (BTA). Otherwise, the application form is used. When the payment is to be made, ES sends the pre-printed payment slips to the shareholders.

4.4.2 Assignment to ES regarding rights issue Subscription and handling of subscription rights

The assignment to ES regarding the decision on a rights issue shall include all required information in line with ES from time to time valid template for assignment regarding such Corporate Action. This can include information as to how the subscription is to take place, by way of notification or by way of payment, and how subscription rights are to be handled during and after the subscription period respectively. For example if cash in lieu is paid for unexercised subscription rights after the subscription period or if they lapse worthless. The assignment to ES regarding rights issue shall also include information if the terms for the rights result in excess, in relation to the terms and conditions of the rights issue, subscription rights at allocation - the Issuer may in such cases offer a central sale of such subscription rights via an Issuer Agent and the compensation is disbursed through ES. This, too, must be stated in the decision on the rights issue.

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

4.4.3 Reconciliation and allocation of subscription rights

On the Record Date, ES performs a reconciliation of the Register of Shareholders against the Issuer’s CSD Register in order to determine who is entitled to receive subscription rights and the distribution of subscription rights to VPC Accounts. The subscription rights included in the Issue are allocated to the VPC Accounts retrieved on the Record Date.

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

4.4.4 Decision on allocation
When the subscription is finalised period has expired, the Issuer’s board shall come to a decision on the allocation of new shares to the shareholders. Following this, the decision shall be reported separately to ES. This report means that a BTA or an OTA, but not BTU, is entered in the Register of Shareholders.

4.4.5 Registration of the rights issue with Bolagsverket – converting BTA into AK
To finalise the rights issue in the VPC system the Issuer Agent shall submit an assignment regarding conversion of BTA into shares with security-type AK to ES. ES cannot accept such an assignment earlier than one (1) Banking Day after all subscription rights regarding the relevant rights issue has either been exercised for subscription or de-registered from the CSD register. In order to convert BTA into shares with security-type AK, the equity increase must be registered with Bolagsverket.

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

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

Regarding the last of the part-registrations, what’s written in section B 4.4.5 shall apply.

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

4.4.7 Timetable in the event of issue with preferential rights

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trading with shares inclusive of issue rights.</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading with shares exclusive of issue rights.</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date for rights issue.</td>
</tr>
<tr>
<td>Day 1</td>
<td>ES reconciles and approves the allocation.</td>
</tr>
<tr>
<td>Day 2</td>
<td>Distribution of subscription rights. An Account Operator can carry out checks of holdings where the allocation can be seen. An Issue Report is produced by ES. A distributor envelopes the Issue Report together with a Prospectus, a subscription form and payment slip after which distribution to VPC Account Holders or representatives is carried out.</td>
</tr>
</tbody>
</table>
4.5 PRIVATE PLACEMENT - NEW ISSUE OF SHARES WITHOUT PREFERENTIAL RIGHTS

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

4.5.1 Subscription

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

4.5.2 Decision on allocation

When the subscription period has expired, the Issuer’s board shall come to a decision on the allocation of new shares to the shareholders. Only when the definite allocation has been completed, is the information registered in the VPC System concerning those who have received an allocation in the private placement. The allocation can be settled as paid subscription shares (BTA) on the VPC Accounts of the relevant subscribing parties.

4.6 ISSUE IN KIND

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

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

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

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

Where cash settlement or existing, i.e. not newly issued as part of the offer, Financial Instruments shares are offered by the purchasing company as payment for the target company’s Financial Instruments, the action is known as a takeover/bid tender offer (see section B 4.7).
4.6.1 Issue report
At the request of the purchasing company, ES produces an Issue Report, which ES sends to the distributor that the purchasing company has specified on the issue assignment. The Issue Report can be sent electronically or as hardcopy. If the Issue Report is ordered as hardcopy, it is distributed to the target company’s shareholders by the distributor selected by the purchasing company together with the prospectus and the subscription form. In the event the purchasing company chooses for the Issue Report to be sent electronically, it is possible to pre-print the subscription form with certain information.

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

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

4.6.3 Transfer of Financial Instruments reserved in kind
Trading in conjunction with an issue in kind
Financial Instruments reserved in kind are recorded on an account in kind. It is not possible to register securities deposits, securities withdrawals or transfers on an account in kind.

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

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

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

4.7 TAKEOVER BID TENDER OFFER
A tender offer in the VPC System is an offer to owners of Financial Instruments issued by an Issuer (referred to by ES as ‘the target company’) to tender their Financial Instruments to another company (referred to by ES as ‘the purchasing company’) and to receive payment in the form of cash and/or existing shares and/or other Financial Instruments from the purchasing company. A takeover bid entails that a company, the purchasing company, offers to buy shares and/or other Financial Instruments, such as subscription options or convertibles, in the target company. The purchasing company offers cash compensation or
existing shares to the shareholders of the target company in return for the shareholders transferring their shares in the target company. A takeover bid can also be combined with a private placement in which the target company’s new issue of shares may constitute capital contributed in kind. (The ES system’s routines for an issue in kind are also applied in a takeover bid, see section B 4.6).

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

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

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

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

4.7.3 Transfer of Financial Instruments reserved in kind
Trading with reserved shares Reserved Financial Instruments shares are posted recorded on an account in kind. It is not possible to register securities deposits, securities withdrawals or transfers on an account in kind. If the offer is conditional, the owners of shares in the target company are entitled to withdraw their acceptance during the notification period.
4.8 BONUS ISSUE

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

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

4.8.1 Bonus issue without issuance of new affecting the quantity of shares

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

4.8.2 Bonus issue with issuance of bonus-shares

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

The bonus issue can only be implemented processed if, for each security sort, in accordance with the ratio issue terms, it results in a whole number of issued shares. A bonus issue with terms 2:5 therefore requires the number of shares prior to the bonus issue to be evenly divisible with, in this example, 5.

When the allocation in the bonus issue has been calculated, depending on the issue terms ratio, there is however not always an even number of new shares for each owner. The remainder are then allocated as bonus share rights, also known as surplus bonus share rights. When the bonus share rights have been recorded posted on each owner’s VPC Account, they are recorded it is possible to trade with them in the same way as forwith shares in the ES system. When the number of bonus share rights in an account is equivalent to a quantity that is exchangeable for shares, an exchange can be made at the Account Operator at the request of the owner of the bonus right Financial Instrument.

Bonus share rights are not shares why bonus rights from previous bonus issues must be exchanged for shares in order to be entitled to participate in the new bonus issue. Holders must contact their Account Operator to exchange bonus share rights.

If the Issuer has any current conversion orders according to B 4.9 or B 4.18.4, these shall when applicable be adjusted before the Record Date.

A decision on a bonus issue must be reported without undue delay to Bolagsverket for registration and may not be executed in the CSD Register before such registration. The share capital is increased once the registration has taken place.
4.8.3 Sale of surplus bonus share rights

The company can prescribe in the decision of the general meeting that excess odd bonus share rights shall be sold centrally. This avoids any excess odd bonus share rights remaining after the bonus issue. A central sale of excess bonus share rights means that the excess bonus rights are debited from the VPC Account and credited to the Issuer Agent to be sold. After the sale, the holder of the excess odd bonus share rights may not trade with these, but instead receives a financial compensation for the value assigned to them. The amount is distributed reported to the holder’s income account in the same way as described for cash payments via Bankgiro according to section B 3. Where such account does not exist, via bank giro. The securities owner is notified of this via a securities statement. In the event that excess bonus share rights arise and a central sale is not performed, these remain in the VPC Accounts until they are either exchanged to shares as described above or are barred through the statute of limitations.

4.8.4 Trading in conjunction with a bonus issue

Trading of shares inclusive of bonus shares can take place up to and including the second day prior to the Record Date. On the Record Date all trades in shares inclusive of entitlements must be completed and entered on the owners’ VPC Accounts.

In the case of a bonus issue, the intention is that trading should be possible during the whole implementation process. An exception from the normal time schedule could be that ES has not received a correct change certificate from Bolagsverket (the Swedish Companies Registration Office). This could result in it not being possible to approve the allocation for registration on the Record Date.

4.8.4 Timetable in the event of a bonus issue

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trading inclusive of entitlements.</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading exclusive of entitlements.</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date for bonus issue. ES reconciles and approves the processing.</td>
</tr>
<tr>
<td>Day 1</td>
<td>Distribution of Bonus rights and/or shares. An Account Operator can carry out checks of holdings where the allocation can be seen. The allocation is finally posted in the evening of Day 1.</td>
</tr>
<tr>
<td>Day 2</td>
<td>ES produces and distributes notifications showing the allocation.</td>
</tr>
</tbody>
</table>

4.9 CONVERSION

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

4.9.1 Appointment of Issuer Agent

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

### 4.9.2 Conversion process

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

A registration of the requested conversions in the VPC System means that interim shares are deposited in the VPC Accounts of the owners in exchange for the convertible Financial Instrument. Interim shares are *immediately* entered in the Register of Shareholders, *as security-type IA*, and entitle the owner to exercise the right of a shareholder. At conversion, the designation ‘interim share’ is used for several different convertible Financial Instruments. The new shares can be entered in the Register of Shareholders, *as security-type AK*, when Bolagsverket (the Swedish Companies Registration Office) has registered the increase in capital and ES has received such an assignment from the Issuer Agent. At the same time, the interim shares are withdrawn from the Register of Shareholders.

### 4.9.3 Conversion in conjunction with compulsory redemption

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

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

### 4.9.4 Registering an increase in share capital

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

An example of this is when an interim share with a restriction on dividend (such as IA B U) is posted in an account over a certain period of time. When this period is over, and in conjunction with a dividend from the Issuer, a new type of interim share without restriction will be posted at conversion (such as IA B).
During this period, when interim shares without restriction are being posted, the report on the increase in capital should be produced and shares posted for those interim shares that have a restriction on them (IA B U).

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

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

4.9.5 Conversion in conjunction with a bonus issue or split

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

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

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

4.9.46 Compensation for surplus amount

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

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

4.9.57 Transfer of Financial Instruments

Trading in conjunction with conversion

A restriction to registration halt regarding trades transfers of interim shares in the VPC System is set in conjunction with the recording posting of new shares, as security-type AK. The final possible settlement date for transfers securities trades shall be the Record Date Banking Day on which the retrieval of holdings of interim shares takes place to record shares.

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

Where the number of interim shares is not known, separate data processing is needed at ES in order to ascertain the increase in share capital. The data processing results in a registration halt of trades with interim shares until ES has received the new registration certificate. In such cases the new shares will be posted two (2) Banking Days after ES has received the registration certificate. When this has occurred, the registering of trades with interim shares becomes possible once again.

4.10 REDUCTION IN SHARE CAPITAL AND THE STATUTORY RESERVE

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

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

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

4.10.1 Reduction of share capital without recall of shares with repayment

In the event that the Issuer plans to carry out a reduction of share capital without a recall redemption of shares with repayment, the Issuer shall consult ES in good time in order to ensure that the planned action is possible to implement both from a scheduling and a technical point of view. The Issuer and ES shall reach a separate arrangement concerning the routines to be used as well as a timetable for the implementation.
In addition to the information prescribed in ABL, the assignment order sent to ES for the practical processing shall include a Record Date for the authorisation of repayment to the shareholders. Such a Record Date may not occur before the reduction has been registered at Bolagsverket (the Swedish Companies Registration Office).

4.10.2 **Reduction of share capital by voluntary redemption**

A voluntary redemption of shares with repayment (referred to below as voluntary redemption), entails a reduction of share capital where the individual shareholder is given the opportunity of accepting an offer of voluntary redemption. In the event that the Issuer’s shares are a Listed Financial Instrument and the board has been authorised to determine the Record Date for authorising participation in the offer, for example, the Issuer shall inform ES immediately after the board has passed the decision, although not later than that a confirmed issue assignment is received by ES in accordance with B 1.6.

The Issuer must appoint an Issuer Agent to handle the voluntary redemption. The Issuer Agent orders a securities credit where each share gives entitlement to a special right (SR). In conjunction with voluntary redemption, the SR is known as a ‘redemption right’. The Issuer Agent shall, when applicable, generate and distribute a subscription form to each shareholder concerned, with an offer of voluntary redemption. The reservation of shares and/or utilised redemption rights is performed by the Issuer Agent. In practice this is carried out by transferring the shares to be redeemed according to the application and the utilised redemption rights from the shareholder’s VPC Account to a blocked account in the VPC Account holder’s name using the same service in the VPC System as for tender offer.

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

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

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

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

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21 Regard cash payment in SEK
4.10.3 Reduction of share capital by mandatory compulsory recall redemption of shares

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

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

4.10.4 Reduction of the statutory reserve

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

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

In addition to the information specified in ABL, the decision of the general meeting shall, for ES’s practical handling, include a record date for the authorisation of repayment. The Record Date may not occur before Bolagsverket or, in the case of a dispute, a court of general jurisdiction gives permission for the reduction. Neither may the Record Date occur before a definite assignment regarding the reduction of the statutory reserve with repayment to the shareholders can be supplied to ES.

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

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

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

Before a split can be implemented, the articles of association may have to be amended. A decision on such change is made by the general meeting, after which the change must be reported and registered at Bolagsverket (the Swedish Companies Registration Office). If the Issuer has any current conversion orders, these must be adjusted by the Issuer Agent before the split’s Record Date. If the Issuer has any current orders according to B 4.9 or B 4.18.4, these shall when applicable be adjusted before the Record Date.

The following Financial Instruments may be included in a pure split:
- shares (all the Issuer’s sorts of shares),
- bonus share rights,
- subscription rights,
- paid subscribed shares,
- interim shares, and
- Swedish depository receipts, and
  more Financial Instruments recorded as unit securities.

Interest-bearing Financial Instruments recorded as nominal securities according to section A 3.1.1 such as Debt Instruments can also participate in the routine ‘change of security sort’. A convertible participating debenture (KVB), which is a unit security, may participate in a split, although the terms for a KVB usually state that the price is to be recalculated instead. The Issuer’s remaining convertibles, other interest-bearing Financial Instruments and options are adapted by recalculating conversion, purchase and subscription prices.

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

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

The split terms for a pure-split are expressed as X:1. The value for \( X \), in ratios according to section B 4.2.6, can regarding split can have a value from 2 to 99999. The value for \( Y \) can regarding a split only be 1. A split in the ratio 3:1 means that the shareholder after the split has 3 shares, with a new ISIN, for every share held with the current ISIN as of the Record Date, receives two new shares for one old one, which means that the holding after the split is three shares. The split-exchange does not alter the shareholder’s total proportion of the share capital, since the individual proportion of the share capital is reduced by the same amount that the number of shares increases.

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

4.11.2 Change of security sort
Based on a decision of the general meeting, an Issuer can change all shares of one sort for shares of another sort. This is called a ‘change of security sort’. The terms for an exchange of security sort are always 1:1. If there are any bonus share rights in the old share sort, there must also be bonus share rights in the new sort.
See also section B 4.18.2 regarding reclassification, change of security-sort on individual holdings.

4.11.2 Split with exchange of security-sort

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

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

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

If the terms prescribe that a security-sort is to disappear completely and be deregistered from the CSD Register, the Financial Instrument is restricted regarding transfers and barred from registering trades with a settlement date later than after the Record Date.

4.11.3 Change of security sort

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

4.11.4 Trading during an ongoing split

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

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

4.11.45 Timetable in the event of split

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trading with old Financial Instrument.</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading with new Financial Instrument.</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date.</td>
</tr>
<tr>
<td>Day 1</td>
<td>Distribution of new Financial Instruments. An Account Operator can carry out checks of holdings where the allocation can be seen. The allocation is finally posted in the evening of the same day.</td>
</tr>
</tbody>
</table>
Day - 2 —— ES produces and distributes notifications.

4.12 REVERSE SPLIT

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

The ratio for a reverse split is expressed as Y:X, where Y normally assumes the value 1, although it can assume values between 1-99 998. X can assume values between 2-99 999.

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

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

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

If the terms of the reverse split instead stipulate that rounding up is to take place, it is necessary for a shareholder to put up the shares (guarantee shares) that will be required to even out individual holdings that are not evenly divisible by the value assigned to X. The Issuer must ensure that the number of shares (guarantee shares) that are required to implement the allocation in accordance with the terms of the reverse split are available in the VPC Account specified by ES not later than 3 pm (15.00) on the Banking Day prior to the Record Date for the reverse split. ES-registered shareholders are automatically allocated new shares. Where nominee-registered shareholders are concerned, the Nominee reports to ES in the event of rounding up the quantity of extra shares their customers are entitled to.

4.12.1 Timetable in the event of a reverse split

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trades with old Financial Instrument.</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading with new Financial Instrument.</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date— for the reverse split. ES reconciles and approves the processing.</td>
</tr>
<tr>
<td>Day 1</td>
<td>Distribution of new Financial Instruments. An Account Operator can carry out checks of holdings where the allocation can be seen. The allocation is finally posted in the evening of the same day.</td>
</tr>
</tbody>
</table>
4.13 PURCHASE OFFER

A purchase offer means that the shareholders in a limited company (referred to by ES as the Parent Company) are invited to purchase shares, or other Financial Instruments, in another company (referred to below as the Subsidiary). A purchase offer can only relate to existing shares or other Financial Instruments in the Subsidiary. The owners of the Parent Company are allocated purchase rights in relation to their holdings in the Parent Company. Purchase offer cannot be used if the Parent Company wishes to offer the owners of the Subsidiary to participate in an issuance of new shares in the Parent Company.

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

4.13.1 Preparations at the Parent Company

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

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

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

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

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

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

Exercise of purchase rights to purchase shares or sale of purchase rights may trigger an obligation to withhold and report Swedish withholding tax, which in such cases is the responsibility of the Parent Company to handle towards the Swedish Tax Authorities.

4.13.2 Decision

A decision on the purchase offer is made at a general meeting at the Parent Company. The Parent Company can pass a decision to the effect that unexercised purchase rights may be sold centrally by the Issuer Agent and that the holders receive compensation via ES for their purchase rights.
4.13.3 Trading in conjunction with a purchase offer
Trading with Financial Instruments during an ongoing period for the purchase offer may be described according to the timetable shown below.

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

4.13.5 Timetable in the event of a purchase offer

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trading with Financial Instruments inclusive of purchase rights.</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading exclusive of purchase rights.</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date for the purchase offer.</td>
</tr>
<tr>
<td>Day 1</td>
<td>ES reconciles and approves the allocation.</td>
</tr>
<tr>
<td>Day 2</td>
<td>Distribution of purchase rights. An Account Operator can carry out checks of holdings where the allocation can be seen. ES produces an Issue Report. A distributor envelopes the issue report (without a pre-printed payment slip) together with a Prospectus and a subscription form after which distribution to VPC Account Holder or representative is carried out. The final allocation is registered in the evening of the same day, with Day 2 as settlement date.</td>
</tr>
<tr>
<td>Day 3</td>
<td>ES produces and distributes notifications provided that the Issuer has chosen to notify this.</td>
</tr>
</tbody>
</table>

4.14 DEMERGER AND SECURITIES DIVIDEND

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

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

4.14.2 Demerger plan
Once Bolagsverket (the Swedish Companies Registration Office) has given its permission to implement the demerger plan, the boards of the transferee companies must jointly report the demerger for registration at Bolagsverket. ES must be informed in good time to be able to adapt the implementation of the demerger to Bolagsverket’s registration.
4.154.3 SECURITIES DIVIDEND
Provided that certain conditions are met according to ABL, a general meeting may pass a decision to execute a dividend in kind of one or more subsidiary companies. The shareholders in the company paying the dividend (referred to by ES as the Parent Company) thus receive shares in one or more companies (below referred to as Subsidiary/ies) in relation to their shareholding. ES’s demerger services regarding securities dividend presupposes that participating shares are recorded by affiliated to ES.

4.154.13.4 Taxation consequences in the event of a securities dividend
In addition to that which applies generally according to these Rules, ES Issuer Rules regarding contact and consultation with ES, the Parent Company must contact ES at an early stage to discuss the taxation consequences of the dividend implementation. This applies primarily to processing regarding Swedish basic management concerning those liable to withholding tax. See also section A 6.2.

A securities dividend normally triggers an obligation to withhold and report Swedish withholding tax in relation to the value of the Financial Instruments distributed as of the Record Date to recipients with a limited tax liability in Sweden. If Swedish withholding tax is to be withheld and reported for a securities dividend, a precondition for ES’s possibility to offer such services, and thereby undertake responsibility to withhold and report, is that the Parent Company have assigned an Issuer Agents to assist with the withholding and reporting of the Swedish withholding tax.

The Parent Company also undertakes to submit information regarding the value of the securities paid as dividend, for tax purposes, to ES in accordance with Section A 6.2 above.

4.15.1.1 Lex Asea – securities dividend exempt from tax at the moment of dividend
A securities dividend can under certain circumstances (so called Lex Asea) be exempt from Swedish withholding tax at the moment of dividend according to Swedish tax law. If the Issuer has received preliminary decision from the Swedish Tax Agency (the Swedish National Tax Board) or a letter to the effect that the intended procedure is tax-exempt, this must be made known to ES in the assignment to ES regarding securities dividend following Lex Asea.

The Parent Company undertakes, in accordance with the Rules, section A 6.23.7, to indemnify ES and to compensate ES for any expense or cost that ES might incur in the event that the Parent Company in its assignment to ES have stated that the securities dividend is tax-exempt according to Lex Asea but Swedish Tax Agency should, during final processing of the tax question, find that the preconditions for a tax-exempt dividend have not been fulfilled. The Issuer may send information to those entitled to dividend, by utilising ES’s message routine, section B 2.7.

The Issuer also undertakes to submit information regarding the value of the securities dividend, for tax purposes, in accordance with Section A 6.2 above.

4.154.23.2 Timetable in the event of a securities dividend

<table>
<thead>
<tr>
<th>DAY</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day -2</td>
<td>Final day for trading including the right to securities dividend</td>
</tr>
<tr>
<td>Day -1</td>
<td>First day for trading excluding the right to securities dividend</td>
</tr>
<tr>
<td>Day 0</td>
<td>Record Date</td>
</tr>
</tbody>
</table>

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B. SERVICES, FINANCIAL INSTRUMENTS
Day 1 ES reconciles and approves the processing.

Day 2 Distribution of Financial Instruments issuer by the Subsidiary. An Account Operator can carry out checks of holdings where the allocation can be seen. The new shares are recorded in the VPC Accounts in the evening of Day 2.

Day 3 ES produces and distributes notifications showing the allocation.

4.165 MANDATORY REDEMPTION – SQUEEZE-OUT OF MINORITY SHAREHOLDERS

If a limited company (known at ES as the acquiring company) has acquired more than 90% of the shares in another company (known at ES as the target company), the acquiring company is legally entitled to redeem the remaining shares in the target company. The acquiring company is also entitled to any shares for unknown owners in the target company. In the event that one or more shares in the target company at the time of the squeeze-out is recorded in the CSD Register as bonus share rights, the acquiring company shall instruct ES in the assignment regarding the squeeze-out how to process such bonus share rights. Reciprocity exists in that the minority shareholders can demand that the acquiring company redeem their shares. ABL specifies rules for the redemption of convertibles and subscription options.

ES’s routines for the handling of compulsory redemption are based in part on all remaining shares being redeemed at the same point in time. If this is not the case, such as where a court decision/judgement or a decision on the matter of redemption has not gained legal force with respect to all shareholders, ES cannot undertake to process the redemption only after a written agreement. The acquiring company or the minority shareholders may have the issue of advance vesting of title and redemption amount brought before a court of arbitration. Following a decision on advance vesting of title, the minority shareholders’ shares are deregistered and deposited in the VPC Account of the acquiring company.

4.165.1 Preparations at the acquiring company

The following documents must be attached to the assignment order sent to ES:
- a copy of the decision/resolution concerning the compulsory redemption, and
- when applicable, a document showing that the resolution has entered into force.

It is the responsibility of the acquiring company to immediately notify ES and the Issuer Agent when a squeeze-out of minority shares includes convertibles and/or subscription options has been initiated.

4.165.2 Compulsory redemption with advanced vesting of title access

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

This routine means e.g. that the value of the pledge remains with the pledge holder until the redemption amount has been paid out, and that the right can cover trading.
If a separate award of an indisputable amount has been decreed, and a decision on advanced vesting of title has gained legal force, or alternatively if the arbitration court has stipulated that the award shall be effective even though it has not gained legal force, ES makes a payment, at the request of the acquiring company, corresponding to the indisputable amount reported. When the final arbitration award on the redemption amount has been made known, ES makes a final payment, where applicable and at the request of the acquiring company, of the redemption amount to holders of TIA. At the same time, TIA’s holding is deregistered from the VPC Accounts concerned.

4.156 3 Compulsory redemption without advanced vesting of title
If the redemption amount has been determined in the arbitration award, the acquiring company can ask ES to pay the redemption amount to the minority shareholders at the same time as the deregistration of the shares from the minority shareholders to the acquiring company takes place.

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

The transferee company offers the transferee company’s shareholders cash compensation (merger compensation) for their shares in the transferee company. ES’s merger service presupposes that participating shares are recorded by affiliated to ES. If the transferee company’s compensation to the transferee company’s owners is to consist of a new issue of shares, a decision must be made on an issue in kind according to ABL, and, where appropriate, implemented according to ES’s routines for the issuance of such shares. A precondition for merger compensation in the form of shares to be able to be distributed by ES is that the exchange ratio is set at X:Y, where both X and Y are assigned whole numbers with a value between 1-999.

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

4.167 1 Implementation of the merger plan
Once Bolagsverket (the Swedish Companies Registration Office), or where applicable a court of general jurisdiction, has given its permission to execute the merger plan, the board of the transferee company must report the merger for registration at Bolagsverket. The transferee company shall notify ES must be informed in good time prior to the execution and registration of the merger plan with Bolagsverket to be able to adapt the implementation processing of the merger to Bolagsverket’s registration. In addition to the information specified in ABL, the assignment order sent to ES, for ES’s practical processing management, must include a Record Date for the merger. The Record Date may not occur before the merger has been registered and implemented at Bolagsverket (the Swedish Companies Registration Office) in accordance with ABL.
4.178 OTHER SERVICES – SWEDISH FINANCIAL INSTRUMENTS

4.178.1 Pre-emption clause

Shares issued by a CSD-registered company can be subject to a pre-emption clause in the Issuer’s articles of association in accordance with ABL. Restrictions regarding pre-emption to the Issuer’s shares are registered in the VPC System where applicable. Shares with restrictions regarding pre-emption can only be registered in the VPC System directly for the shareholder in an ‘owner account’. They cannot be Nominee registered under an authorised Nominee “on behalf of the owner”.

When a registration of an acquisition of pre-emptive rights shares subject to pre-emption is performed in the VPC System, and when it is not a transfer of shares between two account holders, a temporary ‘pre-emption rights account’ is opened for the buyer/acquirer. The acquirer is advised of the deposit of shares in the temporary ‘pre-emption rights account’. A letter is automatically generated created to the Issuer’s board with regard to the transfer of the pre-emptive rights shares subject to pre-emption to a new owner. The letter contains information about the acquirer, the number of shares and the acquisition date, as well as two alternative reply forms, one of which the Issuer has to return to ES:

- confirmation that the new owner has been approved,
- request for reregistration to another person entitled to the shares according to the pre-emption review/redecoration.

Since the pre-emption rights account is opened automatically in connection with each transfer order registration of an acquisition it is incumbent on the Issuer to, without delay, inform notify and consult with ES if the transaction transfer order is exempted from the pre-emption clause rights obligation.

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

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

4.178.2 Reclassification Conversion – Change of security-sort for individual holdings

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

The reclassification conversion routine is used for individual holdings. Where the reclassification conversion is to be carried out for all holdings of a Financial Instrument, the ‘exchange of security sort’ routine is used instead. The following Financial Instruments may be included in the reclassification conversion service:
- shares,
- Debt instruments,
- interim shares, and
- convertible participating debentures, and
- Swedish depository receipts.

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

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

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

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

4.18.3 Limitation of the right to shares
Regarding both shares, issued by a CSD-registered company, where no one have been recorded as owner or Nominee within the time after registration of the Record Date Provision stipulated by ABL and shares issued in a bonus issue to which no one have claimed within the time stipulated by ABL the Issuer can decide on limitation of the right to such shares. A limited company may decide on limitation in accordance with the provisions in ABL. The procedure is processed in accordance with regulations on Register of Shareholders bonus issue respectively in ABL. The procedure is initiated by a public announcement made in Post- och Inrikes Tidningar as well as in the local newspaper(s) determined by the Issuer. The sale date may occur at the earliest one year after the announcement has been made public. The share entitlement then becomes a claim for compensation. The shares that are affected by the limitation procedure are sold by the securities institution that the Issuer has specified on the order to ES.

4.18.3.1 Limitation of the right to shares with unknown holders
Shares recorded on an Issuer account according to section A 3.3.2 and seen as shares with unknown owners can be subject to the limitation procedure. The limitation procedure of shares with unknown owners may be initiated at the earliest five (5) years after the company has become a CSD-registered company. The procedure is initiated by a public announcement made in Post- och Inrikes Tidningar as well as in the local newspaper(s) determined by the Issuer. The sale date may occur at the earliest one year after the announcement has been made public. The right to the share entitlement then becomes a claim for compensation. The shares that are affected by the limitation procedure are sold by the securities institution that the Issuer has specified on the order to ES.
After the sale, the compensation is calculated for each limited share and is paid to those holders that subsequently submit their share certificate to an Account Operator or otherwise verify their right entitlement.

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

4.18.3.2 Limitation of the right to shares deriving from a bonus issue
Equity that after a bonus issue still are recorded as bonus rights not converted into shares can also be subject to a limitation procedure. As regards the limitation of the right to shares deriving from a bonus issue, on the other hand, such limitation may, according to ABL, be initiated at the earliest five (5) years after the decision on the bonus issue has been registered at Bolagsverket (the Swedish Companies Registration Office). The procedure is initiated by a public announcement made in Post- och Inrikes Tidningar as well as in the local newspaper(s) determined by the Issuer. The sale date may occur at the earliest one year after the announcement has been made public. The right to the share then becomes a claim for compensation. The bonus rights that affected by the limitation procedure are converted to shares, which are sold by the securities institution that the Issuer has specified on the order to ES.

After the sale, the compensation is calculated for each bonus right and is paid to owners and Nominees that held the bonus rights on VPC Accounts. Regarding bonus rights on the Issuer account, with unknown owners, compensation is paid those holders that subsequently submit their share certificate to an Account Operator or otherwise verify their right.

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

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

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

4.18.4 Exercise of subscription option for subscribe of new shares
Subscription options (TO) can be exercised for subscription of new shares in accordance with the terms and conditions for the Financial Instrument. Exercise of subscription option to subscribe for new shares may not occur in a way so that the new shares are included in the Register of Shareholders prior to the board of the Issuer have decided on allotment of the new shares according to ABL.
The Issuer Agents shall agree with ES which service that shall be applied to enable exercise of the subscription options on VPC Accounts without having the new shares include in the Register of Shareholders before it is allowed according to ABL.

4.18.4.1 Transfer of Financial Instruments after exercise of subscription options
A restriction to transfers of subscribed shares in the VPC System is set in conjunction with the recording of new shares, as security-type AK. The final possible settlement date for transfers shall be the Record Date on which the retrieval of holdings of subscribed shares (security-type IA or BTA) takes place to record shares (security-type AK).
B 5. SERVICES, FOREIGN NON-SWEDISH SHARES

5.1 GENERAL
This chapter regard Foreign Shares recorded by ES in a CSD Register as ES-registered Foreign Shares via a CSD Link in the role as Investor CSD.

5.1.1 Foreign Shares and ES-registered Foreign Shares
Provided that the Affiliation Agreement is signed, the CSD-Link is set-up and that when applicable any other the formal conditions are satisfied, ES undertakes in the role as Investor CSD, at the request of the Issuer or of holders of Foreign Shares that are not ES-registered Foreign Shares, to register additional Foreign Shares issued by the Issuer as ES-registered Foreign Shares in the VPC System. These shares will then be treated as ES-registered shares. This is conditioned by that the corresponding quantity of Foreign Shares simultaneously are credited to the CSD Link.

Provided that the Affiliation Agreement is signed, the CSD-Link is set-up and that when applicable any other the formal conditions are satisfied, ES also undertakes in the role as Investor CSD, at the request of the Issuer or of holders of ES-registered Foreign Shares, to deregister ES-registered Foreign Shares from the VPC System/ES system. This is conditioned by that corresponding quantity of Foreign Shares simultaneously are debited from the CSD Link.

Other routines concerning the transfer of shares to and from ES must be agreed separately in the Affiliation Agreement.

5.2 CORPORATE ACTIONS

5.2.1 General
With due regard to the Issuer’s applicable law/entitlement, which regarding the recording of ES-registered Foreign Shares in a CSD Register is Swedish law, and regulations in the Issuer’s articles of association, and with regard to what is practically feasible and reasonable, the Issuer, in consultation with ES, shall decide on which dates are to apply for establishing e.g. the Record Date to be able to determine who is to be deemed authorised to e.g. participate in corporate actions, receive dividends and other entitlements falling due to ES-registered Foreign Shares, and to obtain corporate information etc.

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

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

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

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

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

5.2.4 Other actions
ES undertakes, by special agreement with the Issuer in each individual case, to carry out other measures—Corporate Actions—within ES’s area of operations than those indicated above, such as bonus issues, rights issues, splits and reverse splits. This undertaking applies on the condition that, in ES’s judgement, it is technically feasible to process the Corporate Action such as in relevant cases to register the new ES-registered Foreign Shares or other Financial Instruments in the VPC System or to make other measures to process the Corporate Action changes to the shares’ nominal amounts, and that such measures can lawfully be carried out in Sweden. See section B 1 and B 4.2.

5.3 TAXES
In most cases ES cannot undertake to withhold or to report non-Swedish foreign tax. See also section A 6 concerning Swedish tax, and regarding foreign tax both section A 6 in this ES Issuer Rules and ES’s General Terms and Conditions—Account Operations and Clearing, sections B 8.4 and B 8.5 concerning the processing of non-Swedish tax.
B 6. SERVICES FOR FINANCIAL INSTRUMENTS OTHER THAN SHARES

6.1 GENERAL

Before the Issue of a Financial Instrument can take place, the Issuer must be affiliated to ES and the Financial Instrument must be registered with ES. The following section regulates the registration of the attributes, such as name, type, sort, interest period, redemption etc static data of the Financial Instrument in the VPC System and when applicable generation of ISIN for other Financial Instruments than shares. Unless otherwise stated below, the general rules described in section A 3 regarding application and affiliation to ES is applicable. Submission of assignments of corporate actions and cash payments respectively must follow what is stipulated in section B 1.6 and B 1.7 respectively. For regulations concerning cash payments, see section B 3. Regarding processing of other corporate actions reference is made to section B 4.2.

An Issuer of Financial Instruments other than shares shall assign an Issuer Agent for the Issue and registration of Financial Instrument on VPC Account.

If the terms and conditions for a Financial Instrument stipulate payment in another form than in cash, the Issuer must assign an Issuer Agent to handle such payment.

6.2 EXAMPLES OF OTHER FINANCIAL INSTRUMENTS THAN SHARES

Example of security-types that Financial Instruments other than shares can be registered and recorded under in the VPC System:
- Equity-linked bonds (AIO),
- Exchange traded funds (FA),
- Convertible participating debentures (KVB),
- Convertibles (KV),
- Basket certificates (KRG),
- Call options (KO),
- Reverse convertibles (OKV),
- Lottery bonds (PO),
- Bonds (RB),
- Discount notes (DI)
- Swedish depository receipts (SDB),
- Subscription options (TO) and
- Warrants (WT).

6.3 PARTICULAR INFORMATION REGARDING THE REGISTRATION OF CERTAIN TYPES OF FINANCIAL INSTRUMENTS

6.3.1 Registration of Financial Instruments of security-types equity-linked bond (AIO), bond (RB) or basket certificates (KRG)

Prior to registration the attributes static data in the VPC System regarding a new Financial Instrument with security-type equity-linked bond (AIO), bond (RB) or a basket certificate (KRG), the Issuer must submit final terms not later than 10 am (10.00), one (1) Banking Day prior to the date Issue is supposed to take place in the VPC System.
If the final terms ES received from the Issuer according to the paragraph above was final but not signed, the Issuer must furthermore submit signed final terms not later than 3 pm (15.00), the Banking Day when the Issue shall take place in the VPC System. See section B.1.6 regarding submission on assignments regarding other corporate actions.

6.3.2 Registration and Issuance of Financial Instruments of security-types warrants (WT) and basket certificates (KRG) via ES Plug & Clear.

Via ES Plug & Clear the Issuer can, provided that the Issuer has entered into a separate agreement with ES, at the time of registration and Issuance provide ES with instructions in a, so called, CSV-format. The instruction must be sent to ES via ES Plug & Clear not later than 4.30 pm (16.30) in order for registration and Issuance to take place on the same Banking Day. Further information regarding format, content as well as other details in relation to the instruction is regulated by the agreement with the Issuer as well as in the applicable routine description (see section A.5.1).

6.4 REGISTRATION OF PM PROGRAM

The Issuer’s instruction to Euroclear Sweden ES for registration of a PM Program shall include information about who has been appointed as the Issuer’s leading Issuer Agent, see A.5.6. Once Euroclear Sweden ES has received the instruction, the PM Program can be registered in the VPC System where after Issues under the PM Program can begin. If deemed necessary, the Issuer shall liaise with Euroclear Sweden ES regarding the initial issuance under the PM Program.

An Issuer may Issue Financial Instruments under several PM Programs. The VPC System can only handle one currency per PM Program. Under a PM Program Financial Instruments can either be issued as discount notes (DI) or bonds (RB).

6.4.1 PM Program for discount notes

A PM Program for the security type discount notes (DI) covers one or more discount notes. A PM Program can cover for example treasury bills, bank certificates, central bank certificates or commercial paper. If a PM Program includes more than one discount note, the discount notes must be redeemed at different due dates.

6.4.2 PM Program for bonds

A PM Program for the security type bond (RB) covers one or more bonds. A PM Program can cover for example municipal bonds, treasury and mortgage bonds. If a PM Program includes more than one bond, the bonds can be redeemed on the same due date.

6.4.3 Upper limit for a PM Program

A PM Program specifies a maximum amount that constitutes the totally at each given time allowed issued amount. Redetermined amount may be issued in new Financial Instruments.

Where Financial Instruments, according to the terms of a PM Program, may be issued in both SEK and EUR and an amount expressed in one of the currencies or the equivalent value in the other currency is permitted for the PM Program, the registration in the VPC System must, for technical reasons, specify the upper limit for Issues in each of the currencies. ES may, at the request of the Issuer, change the allocation of the PM Program amount that has been registered in the VPC System.
Furthermore, ES may, at the request of the Issuer, increase the issue amount that has been registered for the PM Program, if such increase is possible according to the terms of the PM Program.