

Spotlight's regulations

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FOREWORD

Spotlight Stock Market was founded in 1997, since which time it has operated a marketplace for trade in shares and other financial instruments in the form of a multilateral trading facility (MTF).

The aim of Spotlight Stock Markets is to enable companies to raise capital from investors, and to provide a marketplace making this easier, more secure and more transparent, both for the listed company and for investors. Spotlight Stock Market is available to companies that meet the listing requirements but is intended particularly for growth companies.

Spotlight Stock Market is a secondary business name of ATS Finans AB. Spotlight Stock Market is regulated by the Swedish Financial Supervisory Authority.

Spotlight Stock Market's new regulations have been drawn up in close cooperation with Markets & Corporate Law (<https://www.mcl.law>), whose assistance is gratefully acknowledged.

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INTRODUCTION

Extensive regulations apply to companies whose shares are admitted to trading. Spotlight Stock Markets (“the Marketplace”) aims to be clear and predictable, and to provide companies with guidance on how the Marketplace interprets these regulations. We believe this will enhance compliance among our companies, thereby also increasing confidence and interest among investors. This document constitutes the regulations of the Marketplace (“**the Regulations**”) and sets out the requirements that the Marketplace makes of companies that are, or intend to be, listed (“**the Company**”) on the Marketplace.

Chapter 1 contains general provisions governing listing of the Company and the information it must provide. Chapter 2 sets out listing requirements, which are an important part of the regulations for all companies that have, or wish to have, their shares listed on the Marketplace. Chapter 3 sets out rules for how companies must continuously provide information about their operations to ensure that the market has access to the information required to form a view of the Company and its valuation. Chapter 4 describes the information that the Company must always publicly disclose, whether or not it is insider information. Chapter 5 specifies the cases in which the Company must provide information to the Marketplace, even though the information need not be publicly disclosed. Chapter 6 sets out general provisions governing when a company’s shares may be placed on the observation list, suspended from trading or delisted. Chapter 7 describes the regulations applying when a company breaches the Regulations, and the penalties that may be imposed. The Disciplinary Committee of the Marketplace decides penalties.

The Regulations themselves are shown in **bold**. To facilitate operation of the regulations, they are in most cases followed by explanatory notes entitled “**Commentary**”. The explanatory notes are not binding on the Company; they represent interpretations of the Regulations by the Marketplace, and a statement of practice. Decisions made by the Disciplinary Committee of the Marketplace also provide guidance on interpretation of the Regulations.

By signing an undertaking, the Company agrees to abide by the regulations in effect from time to time, and to be subject to any penalties it may incur as a result of breaching the regulations.

The current Regulations may always be found at spotlightstockmarket.com.

REGULATIONS

1. GENERAL PROVISIONS

General provisions governing the Company's listing and the information it must provide are set out below.

1.1. Operation and validity of the Regulations

The Regulations apply to companies as from the day that the Company signs an undertaking to abide by the Regulations, and for as long as its financial instruments ("the Shares")¹ are listed on the Marketplace.

The provisions concerning penalties for breach of the Regulations in Chapter 7 apply for a period of one (1) year after delisting of the Company's shares from the Marketplace, if the breach was committed while the Company was listed.

Unless otherwise stated, amendments and supplements to the Regulations will apply to the Company no earlier than thirty (30) days after the Marketplace has informed the Company of the amendment or supplement and has published information about it on its website.


If, having regard to market conditions, law, ordinance, regulations issued by the Financial Supervisory Authority or other statutes, as well as generally accepted practice in the stock market or similar circumstances, it is justified on grounds of public interest, the Marketplace may decide that amendments and supplements to the Regulations are to apply to the Company earlier than as provided in the preceding paragraph.

1.2. The Company's general undertakings as towards the Marketplace

As long as its shares are listed on the Marketplace, the Company must

- i. abide by the Regulations and provide the Marketplace with the particulars and information that the Marketplace considers it needs to monitor the Company's compliance with the Regulations, relevant statutes and regulations issued by public agencies. The requirement also means that the Company accepts that its auditors may provide the above particulars and information to the Marketplace;
- ii. appoint a market maker if the Marketplace decides that conditions for effective trade do not exist;
- iii. carry out a reverse split or split of the Company's shares if the Marketplace decides that this is necessary to achieve effective trade;

¹ The definition includes not only shares in the Company that are or will be admitted to trading on the Marketplace; it also includes, where relevant, transferable securities, including paid-up shares and subscription rights.

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- iv. **abide by: (i) generally accepted practice in the Swedish stock market, (ii) the takeover regulations for certain trading platforms² issued by the Swedish Corporate Governance Board from time to time; and (iii) the recommendation for private placements issued by the Swedish Corporate Governance Board from time to time;³**
 - v. **pay regular fees to the Marketplace in accordance with the price list and payment terms in effect from time to time, available on the Marketplace's website. Changes in fees will apply to the Company no earlier than 30 days after the Marketplace informs the Company of the changes;**
 - vi. **observe a written notice period of three (3) months.**

² <http://www.bolagsstyrning.se/takeoverregler/takeoverregler-for-vissa-handelsplattformar>.

³ At the time of the adoption of the Regulations this comprises the recommendation "Private Placements"/(*riktade emissioner*) issued by the Swedish Corporate Governance Board and dated 21 November 2014, <http://www.bolagsstyrning.se/rekommendationer>.

2. LISTING REQUIREMENTS

The listing requirements are designed to create conditions for effective trade, ensure that the Company has the resources required to comply with the Regulations, and provide information to the stock market in a manner maintaining public confidence in the Company, the Marketplace and the stock market.

The listing requirements apply continuously, not merely at the time of listing. The following listing requirements apply only at the time of listing:

- *Section 2.2 Profitability and financial ability.*
- *Section 2.8 Pricing*

2.1. Formation of the Company

The Company must be incorporated in accordance with current laws and regulations in the country in which it is registered. The Company must be a “CSD company” (i.e. registered at a central securities depository) and public.

2.2. Profitability and financial ability

At the time of listing the Company must show that it is capable of making a profit.

A company that is not profitable at the time of listing must clearly describe how it plans to fund its operations over the twelve months following the first day of trading.

Commentary

For example, cash-flow projections, a description of planned and available funds for financing of the Company, descriptions of planned operations and investments, along with well-founded assessments of the Company’s future prospects may constitute sufficient documentary material. It is important that the grounds for the Company’s own assessments are clearly stated. If possible, it should be stated when the Company expects to make a profit, and how it intends to fund its operations until then.

Financing through a funding agreement can’t be taken into consideration when demonstrating that the Company has sufficient working capital available for its planned business for twelve months after the first day of trading.

2.3. Central securities depository (CSD)

The shares must be registered at a central securities depository approved by the Marketplace.

Commentary

It must be possible to manage the share register or ledger electronically to allow transfer of the Shares in a manner approved by the Marketplace.

2.4. Transferability of the Shares

The Company's Shares must be freely transferable.

Commentary

A precondition for admission to trading is that the Shares are freely transferable. The articles of association must therefore be drafted accordingly. This means, for example, that the articles of association cannot include post-transfer purchase right clauses (*hembudsklausuler*).

2.5. The whole share series to be listed

A listing application must include all shares of the series to which the application relates.

Commentary

There is no requirement that all series of shares be listed.

If the Company intends to list several classes of share (e.g. A and B shares), the application must include all shares in the series.

Shares issued subsequently are considered to be listed when they have been registered at the Swedish Companies Registration Office (Bolagsverket) or corresponding registration office in the Company's place of incorporation.

2.6. Public ownership requirement

Conditions must exist for a sufficient supply of, and demand for, the Company's Shares, in order to achieve fair, well-organised and efficient trade, as well as proper pricing. A sufficient number of shares must therefore be in public ownership. The requirement is considered to be met if 10 per cent of the shares of a given series are in public ownership.

Commentary

To ensure correct pricing, it is necessary for there to be sufficient interest in buying and selling the shares. It is therefore required that a sufficient proportion of shares be in public ownership, and that there be a sufficient number of shareholders.

Public ownership

In this context "public ownership" is defined as meaning that the shares are owned by someone who, directly or indirectly, owns less than 10 per cent of the share capital or voting rights.

Shares owned by the persons listed below are not considered to be in public ownership.

- Holdings of directors and senior executives and/or their indirect holdings via associated private individuals or legal entities; and
- Shareholders who have undertaken not to divest their shares for an extended period ("lock-up").

To achieve fair, well-organised and efficient trade, efforts should be made to ensure that at least 15 per cent of the shares of a given series are in public ownership.

If fewer than 10 per cent of the shares are in public ownership, the public ownership requirement may still be met if the Marketplace decides that conditions nonetheless exist for fair, well-organised and efficient trade.

Ongoing public ownership requirement

If, in the sole judgement of the Marketplace, ownership of the shares does not meet this public ownership requirement while the Company is listed on the Marketplace, the Marketplace will urge the Company to take action to meet this requirement once again. The Marketplace may require the Company to engage a market maker. If trade in the shares nonetheless remains sporadic, it may become necessary to place them on the observation list. A decision by the Marketplace to this effect will be preceded by a discussion with the Company.

2.7. Number of shareholders

The Company must have a sufficient number of shareholders.

Commentary

The basic requirement is that there must be at least 300 shareholders, each having a holding worth at least SEK 4,000 (following broadening of share ownership or a share issue in conjunction with the listing). A company with substantially more shareholders with a smaller holding per person may be accepted in some cases. A lower number of shareholders may be accepted in some cases if the Company engages a market maker.

Ongoing ownership requirement

If the Marketplace decides that the number of shareholders does not meet the requirement while the Company is listed on the Marketplace, the Marketplace will urge the Company to take action to meet this requirement once again. The Marketplace may require the Company to engage a market maker. If trade in the shares nonetheless remains sporadic, it may become necessary to place them on the observation list. A decision by the Marketplace to this effect will be preceded by a discussion with the Company.

Listing a second series of shares

If the Company wishes to list a second series of shares, the Marketplace will determine whether liquidity may suffice for that series. In practice, this means at least 100 shareholders each owning shares worth approximately SEK 4,000.

2.8. Pricing

The market price of shares in the Company must be at least SEK 5.00 per share at the time of listing.

Commentary

This listing requirement applies only at the time of listing. Exemption from this requirement may be granted if there are particular reasons for doing so.

2.9. Accounting standards

The Company must report historical financial information in accordance with applicable laws, regulations and ordinances. The Company must prepare its financial statements in accordance with K3⁴, IFRS⁵ or equivalent foreign accounting standards accepted by the Marketplace.

Commentary

A company domiciled outside Sweden may prepare historical financial information in accordance with the laws applying in its country of domicile if this is accepted by the Marketplace. On its website the Company will then need to provide information about any material differences as compared with Swedish regulations. See also section 3.8.

2.10. Honourable conduct review (*heder- and vandelsprövning*)

The Marketplace carries out an “honourable conduct review” of the Company. The review covers the Company’s senior executives, board of directors and major shareholders.

Commentary

The aim of the review is to ensure that the Company, its senior executives, board of directors and major shareholders meet the standards of conduct required by the stock market.

Review

The review of senior executives, board of directors and major shareholders includes obtaining extracts from criminal records or the like for foreign citizens who are not domiciled in Sweden. The review also entails obtaining extracts from business registers or the like for foreign citizens who are not domiciled in Sweden.

2.11. Board of directors and management

The composition and size of the board of directors must ensure its ability to exercise the control over the business as required by the Regulation and the Swedish Companies Act (2005:551) or equivalent foreign legislation for companies registered in countries other than Sweden.

Management must possess sufficient competence to be able to run a listed company.

⁴ K3 Årsredovisning and koncernredovisning (“Annual Accounts and Consolidated Accounts”), BFNAR 2012:1.

⁵ International Financial Reporting Standards.

Commentary

The composition of the board must be appropriate having regard to the Company's business, phase of development and other circumstances. Efforts should be made to ensure an even gender distribution. The basic requirement is that the majority of the Company's management team and board of directors must have been in place for at least one quarter at the time the listing committee makes its decision. Generally speaking, the organisation must meet more exacting requirements if the Company is not yet profitable.

It is important that the board and management know the Company and its business and are aware how the Company has organised matters such as internal reporting, internal control, investor relations and the process of making financial reports and insider information available to the stock market. This includes the capacity to provide information as set out in section 2.15.

The CEO should be employed by the Company.

It is also important that the Company's board and management have knowledge of the stock market regulations. This applies in particular to the regulations of particular relevance to the Company and its listing. To some extent, this competence can be acquired at the seminars regularly run by the Marketplace.

It is generally compulsory for at least the CEO and chairman of the board of the Company to attend the Marketplace's corporate training course. However, other senior executives involved in the Company's supply of information should also attend, both before the Company is listed, and when staff changes occur while the Company is listed.

2.12. Number of directors

The board must consist of at least four (4) directors.


At least three (3) directors must be independent of the Company, of whom at least one (1), in the Marketplace's opinion, must be independent of the Company, its management and its major shareholders.

Commentary

Independence is intended to ensure equal treatment of shareholders. The Company should therefore strive to ensure that two directors are independent of the Company, its management and its major shareholders. Determination of whether a director is independent involves an overall assessment of all circumstances that may give reason to question a director's independence.

In these cases, the factors that the Swedish Corporate Governance Code states should be considered with regard to independence may provide guidance in making the assessment:

- i. whether the director is independent of the Company's major shareholders;
- ii. whether the director is the CEO of the Company or an affiliate;
- iii. whether the director is employed by the Company or an affiliate;

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- iv. whether the director receives not insubstantial remuneration for advice or services in addition to their directorship at the Company or an affiliate, or from any member of company management;
 - v. whether the director has participated in the audit of the Company or has otherwise worked for the Company's current or former auditors;
 - vi. whether the director belongs to the management team of another enterprise if a director of that enterprise belongs to the management team of the Company; or
 - vii. whether the director is a close relative of a person in the Company's management team or another person mentioned in the above section, if the scope and importance of that person's direct or indirect dealings with the Company suffice for the director not to be considered independent.

To enable the board to exercise control over operation of the Company, at least three directors must be independent of the Company. As a rule, the CFO should not be a director.

2.13. Reputability requirement

The Company's senior executives, board of directors and major shareholders must meet the stock market's reputability requirement. It is necessary that senior executives, the board of directors and major shareholders do not have a history that might causes a loss of public confidence in the Company, the Marketplace or the stock market.

The term "major shareholder" means a shareholder having a direct or indirect holding of ten per cent or more of the capital or voting rights in the Company.

Commentary

A company may be considered unsuitable for listing on the Marketplace if it has a senior executive, director or major shareholder who has been convicted of a criminal offence, particularly one concerning market abuse and/or fraud, or has been involved in multiple insolvencies/bankruptcies.

2.14. Authorised public accountant

The Company must have an authorised public accountant or the equivalent under the provisions of the country in which the Company is domiciled.

Commentary

The requirement is not met if the Company merely has an approved public accountant.

2.15. Capacity to supply information

Before listing, the Company must have implemented necessary procedures for supply of information, including an information policy, as well as systems and procedures for financial reporting. This is to ensure that the Company meets its obligation to provide the market with correct, relevant and clear information.

Commentary

The Company must have a satisfactory organisation, enabling rapid distribution of information to the stock market. The basic requirement is that the Company's organisation, procedures and processes for supply of information must have been in place and working for at least one quarter at the time the listing committee makes its decision.

Parts of the information supply and finance function can be maintained by consultants. However, the Company is always responsible for information supply and an effective finance function.

If the Company has previously been a subsidiary of a listed company or part of its business, the Company must have its own organisation, ensuring its capacity to supply information in good time before the listing.

Information policy

To ensure that the Company can provide the market with relevant, reliable, correct and sufficient information, the Company must adopt an information policy that is formulated so that compliance with it is not dependent on a specific person and has been produced for the specific Company. The Information policy should address the information that concerns its day-to-day operations, and also what is insider information for the Company, management of insider information, who is to act as the Company's spokesperson, the type of information that is to be made public, how and when this is to take place, information management in conjunction with crises and the like. In addition, it is particularly important that the policy include a section addressing the stock market's information requirements.

2.16. Prospectus or listing memorandum

Before listing, the Company must prepare and publish a prospectus as a basis for investors to be able to make a well-founded investment assessment of the Company and its Shares.

In those cases where the Company is not obliged to produce a prospectus, it must prepare and publish a listing memorandum. The listing memorandum must meet the requirements set out in the Marketplace's "Guidelines for Listing Memorandums" (*Riktlinjer för noteringsmemorandum*)⁶ in effect from time to time. The listing memorandum must be complete, coherent and comprehensible, and must include all information necessary to enable investors to make a well-founded assessment of the Company.

⁶ <https://www.spotlightstockmarket.com/sv/redan-noterad/vaegledning/>.

Commentary

If a prospectus must be produced, it must be examined and approved by the competent authority, usually the Swedish Financial Supervisory Authority. The Marketplace will examine the prospectus in light of its requirements. If the Company is legally domiciled in a country other than Sweden, but within the EEA, it must submit the prospectus to the Marketplace together with a certificate showing that the prospectus has been approved by the competent authority in the Company' country of domicile. If the prospectus is not written in Swedish or English, the Company must ensure that the entire prospectus is translated into Swedish or English before it is published.

To facilitate examination by the Marketplace, the listing memorandum or prospectus, with a completed checklist, must be received by the Marketplace in good time before the scheduled planned date for the meeting of the listing committee.

2.17. Supplementary information

If the Marketplace so requests, the Company must provide information in addition to that provided in the listing memorandum or prospectus.

Commentary

The Marketplace may require the Company to include supplementary information if the Marketplace considers that such information is important and of interest to the stock market. Examples of supplementary information are differences in legislation, tax regulations or accounting principles for companies registered in countries other than Sweden.

2.18. Move from a regulated market or other marketplace

If trading moves from a regulated market or other marketplace, the Marketplace may grant exemption from the listing memorandum requirement.

Commentary

If the market has access to sufficient information to form a well-founded opinion of the Company and the Shares, exemption will be granted from the requirement that the Company publish a listing memorandum.

2.19. Exemption

In special cases, the Marketplace may grant exemption from one or more of the listing requirements, provided the purpose of the requirement in question or other regulation is not jeopardised, and can be met in some other manner. This presupposes that

- i. the market is considered to have and receive access to sufficient information to form a well-founded opinion of the Company and the Shares; and**
- ii. it is considered possible for the Shares to be traded satisfactorily.**



Commentary

The purposes of the regulations is to create conditions for effective trading, ensure that the Company has the resources necessary to provide the stock market with correct information, and to maintain public confidence in the Company, the Marketplace and the stock market. These purposes are normally considered met if the Company meets all listing requirements. The Marketplace may approve a listing application even if all listing requirements are not met if the overall assessment shows that the Company and the Shares meet the purposes mentioned above to a sufficient degree.

- 2.20. General provision governing the right of the Marketplace to refuse a listing**
If, in the sole judgement of the Marketplace, it is considered that a company could cause a loss of confidence in the stock market, even though the company meets all the listing requirements, the Marketplace may decide to reject a listing application, or if the Company is listed, may decide to place it on the observation list under section 6.1, or delist it under section 6.4.

Commentary

In exceptional cases, a company that applies to be listed may be considered unsuitable for listing even though it meets all listing requirements. This may be the case if it is considered that the listing could a serious loss of public confidence in the Marketplace and/or the stock market.

- 2.21. Far-reaching changes in the business of the Company**
If, in the sole judgement of the Marketplace, the Company is the subject of a reverse acquisition, or changes its business to such an extent that it appears to be a new company, the Marketplace may decide that the listing of the Company is to be expeditiously reviewed.

The Company must publicly disclose information about the change and its consequences. The information must meet the information requirements applying to preparation of a listing memorandum. The information must be supplied within a reasonable time, which means as soon as it has been compiled.

The Shares will be placed on the observation list during the listing review.

If the Company is not considered to meet the listing requirements, the Marketplace will decide on delisting; see section 6.4.

Commentary

The purpose of the listing review is to ensure that the stock market has access to correct, relevant, complete and clear information about the Company, and that the Company continues to meet the Marketplace listing requirements. This is required to enable the market to make a well-founded assessment of the Company's value and position after the change. Where a reverse acquisition takes place or there are far-reaching changes at the Company, the Marketplace should be contacted in advance so that the question of the Company's continued listing can be managed as expeditiously as possible.

A reverse acquisition, for example, means that a listed company acquires an unlisted company, which it pays for with its own shares, and the business and management of the unlisted company take over or make up a large part of the business of the new company. In practice, the unlisted company acquires the listed company.

An overall evaluation is made by the Marketplace to determine whether changes are so far-reaching that the Company may appear to be a new company. Changes in the areas set out below may indicate that far-reaching changes have taken place in the Company or its business.

- The existing business is distributed or sold, and a new business is purchased or acquired by way of a contribution in kind.
- Far-reaching changes in the ownership structure.
- The turnover/sales and assets acquired greatly exceed existing turnover/sales and assets.
- Acquisition of a business of a different nature from the existing business (e.g. a different line of business, different geographical focus, different risk profile).
- The market value of the assets purchased exceeds the market value of the Company.
- Several senior executives and/or directors resign at the same time.
- Far-reaching change in the ownership structure.
- The Company undergoes financial restructuring.

Following a reverse acquisition or far-reaching changes in the business, the organisation or the ownership structure, the Marketplace considers that the Company is a new company, which means that the Company must

- i. pay a listing fee;
- ii. undergo a listing review; and
- iii. publish a listing memorandum.

The Marketplace will place the Shares on the observation list. The Shares will be moved from the observation list when the listing review has been completed, and the Company has been approved by the Marketplace. If the Company is not considered to meet the listing requirements or if the new listing review cannot be carried out within six months, the Marketplace may decide to delist the Company under section 6.4.

A reverse acquisition is normally neither cheaper nor faster than a normal listing process.

3. INFORMATION REGULATIONS

General regulations governing disclosure of information are set out below in sections 3.1 – 3.8. These are followed by regulations on public disclosure of insider information.

3.1. Method of disclosure

Under the Regulations, information will be deemed to have been publicly disclosed when it has been disclosed via the Marketplace press information service (“the Press Information Service”).

Commentary

The Company must itself publicly disclose the information via the Press Information Service. If it is required that the Company coordinate disclosure with another listed company or if disclosure is to take place outside the Marketplace’s opening hours, the Marketplace must be contacted in advance by telephone.

3.2. Publication of press releases

The Company must publicly disclose insider information and other regulatory information (as required by law, ordinance or the Regulations) by issuing a press release.

The Marketplace has the right to examine in advance information sent by the Company to the Marketplace’s Press Information Service for disclosure.

The Company is always responsible for the information it supplies.

Commentary

The Marketplace examines in advance all information to be disclosed via the Press Information Service **between 07.30am – 6.00pm (CET) weekdays except Swedish public holidays.** The Marketplace examines the information, so it can draw the Company’s attention to any deficiencies or errors in the information before disclosure.

If information is disclosed via the Press Information Service outside the above mentioned hours, information will be examined after, instead of before disclosure. The Marketplace has the right to demand complements to previously disclosed information. This applies in particular to press releases disclosed without prior examination.

Marketplace staff are under a statutory duty of confidentiality.

Advance examination of financial reports is only of general nature.

3.3. Right to refuse disclosure

The Marketplace has the right to refuse to publicly disclose the Company’s information via the Press Information Service if the Marketplace considers that disclosure involves a risk that the Company or its representatives will thereby commit a criminal offence or other grossly inappropriate act that could cause a



serious loss of confidence in the Marketplace, employees of the Marketplace or the stock market.

Commentary

In exceptional cases, the Marketplace has the right to refuse to distribute information that, in its judgement, constitutes a criminal offence and/or a grossly inappropriate act. Examples of such information may be libellous statements, threats, or invasion of privacy.

3.4. Language

Information publicly disclosed by the Company must be in Swedish or English.

Commentary

The Company must choose a main language for the information to be disclosed: Swedish or English.

If the Company decides to change the language in which information is disclosed, it must inform the market of this in good time before the change is made. Once the Company has changed the language in which information is disclosed, all regulatory information supplied in future must be in that language.

The Company is always entitled to publicly disclose news in several languages. For example, a Danish company can always publicly disclose news in Danish, alongside its main language. If the Company publicly discloses news in several languages, the version of the press release in another language must state that it is a translation from the main language.

The Marketplace only examines information in the main language in advance.

3.5. Content, form and scope of the information


Information that the Company publicly discloses must be correct, relevant and clear, and must not be misleading. The information must be sufficiently detailed to allow an assessment of the significance of the information for the Company and the Shares.

Public disclosure of regulatory information must not be combined with marketing.

The most important information must be presented clearly at the beginning of the press release. All press releases must have a heading summarising their contents.

Commentary

The information publicly disclosed by the Company must reflect the Company's true circumstances and must not be misleading or otherwise incorrect. Information supplied by the Company to the market must be objective, impartial, based on facts, and communicate both positive and negative factors in a balanced manner.



Omission of information may also cause information supplied by the Company to be incorrect and misleading.

3.6. Amendment and correction of previously disclosed information

If the Company has publicly disclosed information, and an event occurs, or circumstances arise, rendering the previously disclosed information incorrect or misleading in any respect, the Company must publicly disclose information about the new event or circumstances as soon as possible.



Commentary

Events or circumstances rendering previously disclosed information incorrect or misleading must be made public. This means, for example, that statements about the future, such as potential alliances, joint projects or transactions, must always be followed up, whatever the outcome. Changes or circumstances that constitute insider information cannot be regarded as minor or immaterial.

Under section 4.9, companies that have issued their own forecasts or forward-looking statements must publicly disclose an adjustment as soon as possible if conditions have changed, and the outcome may be expected to differ from the earlier projection to a not insubstantial extent.

To reduce the risk of misunderstandings, the press release must state that a change has occurred in relation to the original information and specify the information that has been updated.

As regards minor amendments of information in financial reports, it is not normally necessary to publish the whole report again, in updated form. It suffices to comment on the amendments in a press release issued to the market. The phrase “minor amendments to financial reports” includes editorial amendments or amendments that do not impact profit/loss. Amendments due to adjustments to the financial statements or miscalculations cannot be regarded as minor changes. For example, the figures in the report may have been based on certain assumptions that are later found to be incorrect, e.g. that the need for write-down has not been taken into account. In that case, the whole updated report should be published.

3.7. Website

The Company must have its own website, on which all information disclosed is made available as soon as possible after disclosure and remains available for at least five years.

The annual report and auditor’s report must be available on the Company’s website and remain so for at least five years after publication.

Commentary

Companies that have been listed for less than five (5) years must keep all information from the time that the Company applied for listing available.

The Marketplace operates its own page for investor relations vis-à-vis the Company on the Marketplace website. All publicly disclosed information is available on the investor relations page. The Marketplace has solutions that enable the Company to display this information and share price information on the Company’s own website. Contact the Marketplace for more information.

3.8. Companies domiciled in countries other than Sweden

On its website, a company domiciled in a country other than Sweden must publish a general account of the main differences concerning shareholder rights between the country where it is domiciled and Sweden. The account must be updated when necessary.

Commentary

The account may, for instance, describe rights and obligations of shareholders in relation to

- i. general meetings of the shareholders;
- ii. appointment or dismissal of directors;
- iii. preferential rights in issues of securities;
- iv. the scope for a special examination resembling the Swedish procedure;
- v. public takeover bids that are not governed by the Swedish takeover regulations for certain trading platforms⁷;
- vi. mergers and similar transactions;
- vii. tax issues related to Swedish shareholders;
- viii. differences attributable to accounting principles; or
- ix. custody of securities.

3.9. Public disclosure of insider information

The Company must publicly disclose insider information as soon as possible in accordance with Article 17 of MAR.⁸

Commentary

The term “insider information” is defined in Article 7, MAR as “information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments”.

Assessment of potential insider information

In some cases, it may be difficult to determine whether information is insider information. However, the onus is always on the Company to make this assessment, although the Marketplace can be consulted to obtain guidance. The information finally supplied always remains the Company’s responsibility, however.

The question of whether the information may be insider information is to be assessed in relation to each specific company, each case being assessed on its merits. The assessment must include an analysis of the decision or the expected scope or importance of the event in relation to the business of the whole Company. The assessment must be based on how specific the information is, and how likely it is that the event to which the information refers will occur. Is there a real prospect of the circumstances or an event occurring, i.e. resulting in the ultimate goal? Information that is completely diffuse and cannot be considered to have any impact on the price of the share in question cannot be regarded as insider information.

⁷ Swedish Corporate Governance Board Takeover Regulations for Certain Trading Platforms.

⁸ European Parliament and Council Regulation (EU) no. 596/2014 of 16 April 2014 (MAR – the Market Abuse Regulation).

Intermediate stages

Intermediate stages of an ongoing process may also be regarded as insider information, provided the intermediate stage itself meets the criteria for insider information. This means that the Company may need to publicly disclose information on a number of occasions concerning the same underlying circumstances or event. An example of an intermediate stage is the status of ongoing contractual negotiations.

Time of public disclosure (as soon as possible)


The main rule is that insider information must be made public as soon as possible. The “as soon as possible” requirement **means** immediate disclosure. The Company is **however** given the opportunity to determine the nature of the information and its importance to the Company. The Company is also given the opportunity to take necessary administrative measures.

The assessment of if the disclosure has occurred as soon as possible is depending on the circumstances in every specific situation. If the Company is aware in advance that a specific event or specific circumstances might occur, the acceptable delay is for example shorter, since the Company has had the opportunity to prepare disclosure.

~~Market practice has hitherto allowed insider information arising when the market is closed to be made public in good time before the market opens the following trading day, provided it is possible to keep the information confidential. MAR does not specifically state whether this practise is changed or this procedure is consistent with the requirement that disclosure take place as soon as possible. Pending guidance from Finansinspektionen (the Swedish FSA) and/or ESMA (the European Securities and Market Authority), the Company may assume that this procedure (i.e. that it is made public in good time before the market opens) is consistent with the requirement that insider information be made public as soon as possible (unless circumstances exists that cause publication earlier). This view may change, and it must be emphasised that the Marketplace does not have any prerogative to interpret MAR. If the information is of a very important nature, or because of other reasons, the Company may for that reason need to disregard the procedure and make the insider information public immediately.~~

Examples of situations in which there is probably a duty of information:

- orders and investment decisions;
- share issues and other capitalisation decisions;
- cooperation agreements or other material agreements;
- acquisitions and divestments of companies;
- credit losses or customer losses;
- financial difficulties;
- material changes in profit/loss or financial position;
- research findings, development of new products or important discoveries;
- decisions of public agencies;
- commencement or resolution of legal disputes, and relevant court rulings;

- 
- information leaks; and
 - profit warnings and reverse profit warnings.

Some of these examples are described in greater detail below.

Orders, investment decisions and cooperation agreements

When the Company is under a duty to publicly disclose insider information about an order, it is important that it provide information about

- i. the customer;
- ii. the order value;
- iii. information about the product or service;
- iv. any new markets; and
- v. the period covered by the order.

If any of the above cannot be specified for reasons of confidentiality, an alternative description of the information must be provided to allow the same assessment as if the information had been made public.

Orders for new products, new applications, new customers or customer categories, as well as new markets, may constitute insider information.

It may be difficult to assess the financial effects of cooperation agreements, which means that a clear description of motives, purpose and plans is of great importance.


Purchase and sale of companies

Purchase and sale of companies may constitute insider information, which means that the information must be so complete that the market can use it as a basis for assessing both the financial and the organisational effects of the purchase or sale, and also how the transaction impacts the valuation of the Shares. The information made public must therefore include the following details:

- i. purchase price;
- ii. payment terms, e.g. if payment is to be made with the Company's own shares;
- iii. relevant information about the business sold or purchased;
- iv. reasons for the transaction;
- v. estimated impact on the Company's business;
- vi. timetable for the transaction; and
- vii. important prerequisites or conditions for the transaction.

If the purchase price is related to the future performance of the target, the Company must publicly disclose information about the whole purchase price (including any deferred purchase price), together with the factors that may impact the deferred purchase price and adjust the information if necessary.

The target company or business must be described in a manner that explains its main business, historical performance and financial position, for example number of employees, amount of equity and performance measures for turnover/sales and earnings.



In conjunction with an asset deal, where the target is not an independent entity, it may be particularly important to present information about the purchase price, the type of business acquired, the assets and liabilities included, number of employees transferred, etc.

Funding agreements

Agreements under which capital is contributed, sometimes on an ongoing basis, in the form of shares or other financial instruments issued to the lender, may have a material impact on the Company, its shareholders and the market. When the Company publicly discloses insider information about a funding agreement, disclosure must normally include the following information:

- i. reasons and purpose;
- ii. description of the financier;
- iii. material contract terms;
- iv. any share dilution effect, and whether the Company intends to counteract the dilution effect, e.g. by issuing warrants to existing shareholders; and
- v. any lock-up commitments.

If the financier requests conversion of convertibles, warrants or similar instruments linked to the funding agreement, the Company must publicly disclose this information.

In the case of funding agreements, the Company must also take into account the information requirements governing private placements; see section 4.17.


A Company who enters a funding agreement can be placed under the observations list, see section 6.1.

Financial difficulties

If the Company finds itself in financial difficulties, e.g. a liquidity crisis or suspension of payments, difficulties often arise concerning supply of information. The Company may, for instance, find itself in a situation where crucial decisions are taken by parties other than the Company, e.g. lenders or major shareholders. Nonetheless, the Company is always responsible for supplying information. This means that the Company must keep itself continuously updated about developments by contact with representatives of lenders, major shareholders, etc. Suitable information measures can be prepared on the basis of the information thereby obtained.

Consequences of decisions of public agencies

Although it may be difficult for the Company to exercise control over decisions made by public agencies and courts, it is nonetheless obliged to publicly disclose information about any such decision if it is likely to have a material impact on the Share price. The information provided by the Company must be sufficiently comprehensive so that the market can assess the impact of the decision on the Company's earnings and position. The extent of the information that the Company needs to provide may therefore vary from case to case.



If it is impossible for the Company to have a view on the consequences of the decision by the public agency or the court, the Company may issue an initial press release providing information about the decision itself, followed later on by disclosure of information concerning the consequences.

Information about subsidiaries and affiliates

Decisions, facts and circumstances concerning the group, individual subsidiaries and, in some cases, affiliates, may constitute insider information. An assessment must be made in light of the group's operating structure, although other factors may also be relevant.

An affiliate may publicly disclose information independently of the Company even though it is not subject to any external information requirements. In that case, the Company must decide whether the information supplied by the affiliate constitutes insider information for the Company, and if so, publicly disclose the information.

If a subsidiary or an affiliate is a listed company, circumstances at the subsidiary may constitute material information for the Company.

Material change in earnings or financial position (profit warning)

Under section 4.9, companies that have issued their own forecast must publicly disclose an adjusted forecast as soon as possible if conditions have changed so that the outcome may be expected to differ from the earlier forecast to a not insignificant extent.

Even if the Company has not publicly disclosed a forecast, an obligation to publicly disclose information about an unexpected material change in earnings may nonetheless arise. For example, the Company's earnings may change without this being attributable to individual decisions or events; it may instead be an effect of continual changes in sales or costs. If the Company sees that its earnings during a quarter materially differ – upwards or downwards – from the impression of the Company's situation created by information previously made public, this may be insider information. The same applies, for example, if the Company's order book indicates such a change.

3.10. Delay of disclosure

If the Company decides to delay disclosure of insider information under Article 17 (4) of MAR, it must notify the Marketplace of this decision as soon as possible. The Company must describe the event or circumstances in question and state the circumstances whereby the conditions set out in Article 17 (4) of MAR for delay of disclosure are considered to have been met.

If disclosure of insider information has been delayed, and it can no longer be guaranteed that the information will remain confidential, the Company must immediately inform the Marketplace of this, and publicly disclose the insider information.

Commentary:

There are situations where it could harm the interests of the Company to publicly disclose insider information as soon as possible. Under certain conditions it is therefore possible to delay disclosure.

The Company may, on its own responsibility, delay disclosure of insider information provided that all the conditions set out in Article 17 (4) i MAR are met:

- i. immediate disclosure *is likely to prejudice the legitimate interests* of the Company;
- ii. delay of disclosure *is not likely to mislead the public; and*
- iii. the Company is able to ensure *the confidentiality* of that information.

Legitimate interests

Examples of situations where public disclosure could be detrimental to the legitimate interests of the Company may be ongoing contractual negotiations or preparation of a financial report that the Company will make public.

Mislead the public

An example of a situation where delayed disclosure is not possible because it might mislead the public is where the Company has led the market in a certain direction as a result of the information it has supplied, and the information whose disclosure the Company intends to delay directly contradicts the information previously made public by the Company. The criterion is considered to be most important in the context of profit warnings, adjusted forecasts, financial difficulties and other information whose disclosure the Company intends to delay that would wholly or partly present a different impression of the Company.

Confidential

Public disclosure of insider information can only be delayed if the Company can ensure that the information will remain confidential. When it can no longer be guaranteed that the information will remain confidential, the Company must disclose it as soon as possible. Under MAR, a rumour suffices to show that it can no longer be demonstrated that the information will remain confidential.

In particularly sensitive cases it may be appropriate for the Company to enter into a non-disclosure agreement with the recipient, e.g. in bid situations or in dealings with major suppliers, whose day-to-day contact with the Company may give them access to information about the Company that is not public knowledge.

Information supplied to the Marketplace

Immediately following a decision to delay disclosure of insider information, the Company must document its explanation of how the above conditions i) – iii) are met. The Company must inform the Marketplace if it decides to delay disclosure, and how conditions i) – iii) are met, normally as soon as the Company is considering making such a decision. The Marketplace may be informed orally or by e-mail.

Information supplied to the Swedish Financial Supervisory Authority (FSA)

Immediately after the information has been disclosed, the Company must inform the FSA that the disclosure is a delayed one. The FSA then has the right to ask the Company to submit a written account of how conditions i) – iii) above have been met.

More guidance on delayed public disclosure of insider information is given in *Vägledning från Spotlight gällande tillämpningen av MAR* (“Spotlight Guidelines on the Operation of MAR”) (in Swedish)⁹.

Insider list

The Company must keep a list of persons it employs who have access to insider information. These may include employees, consultants and accounting firms. The Company must take all reasonable measures to ensure that all persons on the insider list confirm in writing that they are aware of their obligations as a result of being listed, and of applicable penalties. Only those who need the insider information in their work are to have access to it.

Other persons, such as customers, suppliers, etc., must not be included on the insider list. However, companies need to ensure that insider information is kept confidential, e.g. by concluding non-disclosure agreements.

Note that the prohibition against insider trading includes all persons with access to insider information, whether or not they are included on an insider list.

The FSA has an insider list template, which the Company should use.¹⁰

Market soundings


In special cases, insider information may be provided before public disclosure has taken place, if the information is provided as a normal part of performing a service, activities or an instruction. For example, in conjunction with issuance of securities there is often a need to contact one or more prospective investors before information about the issue is made public in order to sound out market interest.

It is permitted to provide insider information in these situations, provided the Company complies with the requirements set out in Article 11 of MAR. In outline, this means that the Company

- i. must document its assessment of whether the market sounding will involve communication of insider information;
- ii. must obtain the consent of the person receiving the market sounding to receive insider information;
- iii. inform the person receiving the market sounding of the prohibition against insider trading, and the requirement that the information be kept confidential (e.g. by way of an NDA); and

⁹ <https://www.spotlightstockmarket.com/sv/redan-noterad/vaegledning>.

¹⁰ <https://fi.se/sv/marknad/noterade-bolag/insiderforteckningar/>.

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- iv. keep a record (the insider list) of:
 - a. all information provided to the person receiving the market sounding; and
 - b. the persons who have received insider information.

The Company must also ensure that the persons included on the insider list confirm in writing that they are aware of the legal obligations that this entails, and the penalties for insider trading and unlawful disclosure of insider information.

4. OTHER MANDATORY DISCLOSURE OF INFORMATION

Regulations governing information that the Company must always make public whether or not it is insider information are set out below. The Company must decide in each case whether the information is also insider information.

4.1. Regular financial information

Each quarter the Company must prepare and publish financial reports in accordance with current legislation, relevant accounting standards and generally accepted accounting principles (GAAP). These financial reports are:

- i. **interim report for the first and third quarter;**
- ii. **half-yearly report; and**
- iii. **press release of unaudited annual earnings figures.**

Commentary

Companies that have previously published quarterly reports for the first and third quarter must present an interim report for the first and third quarter no later than the financial year commencing calendar year 2020.

4.2. Time for publication of financial reports and annual report

Regular financial reports must be published within two months from the end of the reporting period.

An annual report accompanied by an auditor's report must be published.

Commentary

The Company must keep its annual report and auditor's report available to the shareholders in accordance with the provisions of the Swedish Companies Act (2005:551). The annual report and auditor's report must also be published in the form of a press release.

4.3. Contents of financial reports

If the Company is a parent company, its financial reports must include both the parent and the group.

Commentary

Spotlight's *vägledning för finansiell rapportering* ("Guidelines on Financial Reporting") (in Swedish) provide more information about the contents of financial reports.¹¹

¹¹ <https://www.spotlightstockmarket.com/sv/redan-noterad/vaegledning>.

4.4. Interim reports


Interim reports must contain at least the following information.

- i. Summarised profit and loss account for the reporting period in question, and to date for the current financial year, with comparative figures for the same period the preceding financial year;**
- ii. summarised balance sheet as at the end of the reporting period in question, with comparative figures for the end of the preceding financial year;**
- iii. significant income and expenses;**
- iv. earnings per share after tax at the end of the reporting period, with comparative figures for the same period the preceding financial year;**
- v. information on the number of outstanding shares at the end of the reporting period, with comparative figures for the preceding financial year. The information must be provided both before and after exercise of outstanding convertibles, warrants and the like, if they result in an increase in the number of shares;**
- vi. comments on earnings performance and position, with emphasis on the most recent quarter, stating, among other things, the effect of important non-recurring events;**
- vii. the date of the next report;**
- viii. if projections about the future are given, the corresponding information given in the preceding report must also be specified, along with any changes made public since the preceding report; and**
- ix. information about whether the report has been reviewed by the Company's auditors; if so, the auditor's statement is to be included in the report.**

4.5. Half-yearly report

The half-yearly report must contain at least the following information.

- i. Summarised profit and loss account for the reporting period in question, and to date for the current financial year, with comparative figures for the same period the preceding financial year;**
- ii. summarised balance sheet as at the end of the reporting period in question, with comparative figures for the end of the preceding financial year;**
- iii. summarised cash flow statement, with comparative figures for the same period the preceding financial year;**
- iv. significant income and expenses;**
- v. earnings per share after tax at the end of the reporting period, with comparative figures for the same period the preceding financial year;**
- vi. information on the number of outstanding shares at the end of the reporting period, with comparative figures for the preceding financial year. The information must be provided both before and after exercise of outstanding convertibles, warrants and the like, if they result in an increase in the number of shares;**

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- vii. brief comments on earnings performance and position, with emphasis on the most recent quarter, stating, among other things, the effect of important non-recurring events;
 - viii. the date of the next report;
 - ix. if projections about the future are given, the corresponding information given in the preceding report must also be specified, along with any changes made public since the preceding report; and
 - x. information about whether the report has been reviewed by the Company's auditors; if so, the auditor's statement is to be included in the report.

4.6. Press release of unaudited annual earnings figures

The press release of unaudited annual earnings figures must include at least the following information.

- i. Summarised profit and loss account for the reporting period in question, and to date for the current financial year, with comparative figures for the same period the preceding financial year;
- ii. summarised balance sheet as at the end of the reporting period in question, with comparative figures for the end of the preceding financial year;
- iii. summarised cash flow statement, with comparative figures for the same period the preceding financial year;
- iv. significant income and expenses;
- v. earnings per share after tax at the end of the reporting period, with comparative figures for the same period the preceding financial year;
- vi. information on the number of outstanding shares at the end of the reporting period, with comparative figures for the preceding financial year. The information must be provided both before and after exercise of outstanding convertibles, warrants and the like, if they result in an increase in the number of shares;
- vii. brief comments on earnings performance and position, with emphasis on the most recent quarter, stating, among other things, the effect of important non-recurring events;
- viii. the date of the next report;
- ix. if projections about the future are given, the corresponding information given in the preceding report must also be specified, along with any changes made public since the preceding report;
- x. proposed dividend;
- xi. information on where and when the annual report and auditor's report are expected to be made available to the public;
- xii. information on the planned date and place of the AGM; and
- xiii. information about whether the report has been reviewed by the Company's auditor; if so, the auditor's statement is to be included in the report.

Commentary on sections 4.4 – 4.6

A financial report should begin with a summary of the most important information, at least comprising information about net turnover/sales and earnings per share, possibly accompanied by a forecast, if one is made in the report. The introductory summary should also give some performance measures for the period in question, with comparative figures for the same period the preceding financial year. The same performance measures should be used in all reports during the financial year. It is recommended that any alternative performance measures used by the Company in the report also be defined in the report. To increase comparability, the performance measures must be accompanied by comparative figures for the same period the preceding financial year.

The financial comments must give the reader an additional understanding of the Company's earnings performance and financial position. If necessary, details of the financial outcome can be repeated, but the comments should primarily focus on enabling the reader to achieve a deeper understanding and analysis, e.g. why the Company's income and expenses have changed in comparison with previous reporting periods.

The comments made by the Company in the financial reports must be adapted to the business conducted and the market conditions under which the Company operates. The financial comments also govern the extent to which the Company's financial spokesperson is able to comment the Company's financial performance in dialogue with analysts or investors, for example. It may be of value, for instance, to comment on circumstances or events that have impacted turnover/sales, and how the financial situation has developed.

If the report has been examined by the Company's auditor, the auditor's report must be included in the publication of the report.

Alternative performance measures

As regards IFRS, ESMA has issued guidelines¹² on alternative performance measures in order to enhance the utility of, and insight into, financial measures of historical and future earnings performance, financial position, financial results or cash flow used by companies. Measures defined in IFRS are not covered by the guidelines. ESMA has also published guidance on how the guidelines¹³ should be applied. Companies are expected to take account of the guidelines and guidance where they are applicable.

¹² ESMA/2015/1415.

¹³ ESMA Guidelines on Alternative Performance Measures.

4.7. Auditor's report

The auditor's report constitutes part of the annual report. If the auditor's report includes modified statements, information and/or qualifications, the full auditor's report must be published in a separate press release when the annual report is published.

Commentary

An auditor's report is considered to include a modified statement, information and/or a qualification if it differs from the standard form. An example is where the auditor does not support the balance sheet and/or profit and loss account, or if the auditor has added a specific qualification or specific information in the report, e.g. that the Company's capital is insufficient for the coming twelve-month period.

An auditor may sometimes refrain from expressing an opinion on certain parts of a company's report because it has not been possible to carry out an audit to a sufficient extent. If that case, this must be stated in the auditor's report, which must be made public. Details can be provided by an auditor who finds reason to comment on particular circumstances preventing a completely clean auditor's report from being issued. Those details must also be made public.

4.8. Balance sheet for liquidation purposes (*kontrollbalansräkning*)

If the board of directors decides that a balance sheet for liquidation purposes is to be prepared, the Company must publicly disclose information about this as soon as possible. The board must immediately publicly disclose information if the balance sheet for liquidation purposes reveals that the Company's equity has fallen below half the registered share capital.

Commentary

In conjunction with the public disclosure, the Company's Shares may be placed on the observation list under section 6.1.

4.9. Forecasts and forward-looking statements

If the Company publishes a forecast, it must include information about the prerequisites, assumptions and conditions on which the forecast is based. As far as possible, the forecast must be presented in a clear and uniform manner. Other forward-looking statements must be presented in the same way.

As soon as possible, the Company must publicly disclose information if an earlier forecast or forward-looking statement has been adjusted, amended or will not be achieved.

Commentary

There is no requirement to present a forecast or forward-looking statement. Within the framework of current legislation, the onus is on the Company to prepare forecasts or other projections.

General provisions

As far as possible, forecasts and other forward-looking information must be presented in a clear and uniform manner. The underlying factors must be clearly described to enable the market to properly assess the basis and accuracy of the forecast. For example, the forecast must state the performance measures on which it is based, i.e. whether earnings are reported before or after tax, whether any acquisitions or divestments have been taken into account, and whether or not unrealised changes in value are included in the forecast. The period covered by the forecast must also be specified.

Short-term targets (normally a twelve-month period)

In this context, “short-term targets” means a “forecast” presenting specific figures, or statements that can be translated into figures, for the current or following financial period. A forecast of this kind may include a comparison with the preceding period (e.g. “slightly better than last year”) or indicate certain figures or state a range for the likely earnings outcome for a coming period.

Long-term objectives

In this context, “long-term objectives” means a “forward-looking statement” that is a more general description of the Company’s expected future performance.

Adjustment

If the Company publishes a forecast or a forward-looking statement, there is an obligation to continuously monitor performance as compared with the forecast or statement. When adjustments are made, at least the most important parts of the preceding forecast or statement must be repeated, so as to allow assessment of the effect of the adjustment.

Presentation


Forecasts and other forward-looking statements must be presented under a separate heading in the report and feature prominently in the press release.

4.10. General meetings of the shareholders

Notice of a general meeting must be announced in accordance with current legislation.

Commentary

Notice of general meetings must be given both via a press release, and by announcement in accordance with the Swedish Companies Act (2005:551). The press release must always be disclosed no later than the morning before start of trading on the day that the notice is published in a newspaper and made available on the Company’s website.



A draft notice of a shareholders' meeting should be submitted to the Marketplace in good time before publication, so that any errors can be corrected by the Company before announcement.

Proposed resolutions to be put before a general meeting that contain insider information must be publicly disclosed as soon as possible under Article 17 (1) of MAR. This means that a proposal containing insider information must be made public as soon as possible, even though the proposal will later be set out in a notice of a general meeting.

At general meetings of the shareholders it is not permitted to publicly disclose new information that is insider information. If the Company plans to disclose such information at a general meeting, it must publish the information in a press release at the same time.

4.11. Statement from the general meeting

As soon as possible after the end of the general meeting, the Company must publish a statement from the meeting, containing information about the resolutions passed at the meeting. This applies even if the resolutions are in line with proposals previously made public.

Commentary

As soon as possible after the end of the meeting, the Company must publish information about resolutions passed at the meeting. These include resolutions on election of directors and appointment of auditor(s), a dividend resolution and a resolution authorising the company to issue Shares. This applies even if the resolutions are in line with proposals previously made public. Resolutions of little importance to the stock market, such as those concerning formal aspects of the meeting, need not be made public.

4.12. Authorisation

If a resolution has been passed at a general meeting authorising the board of directors to decide on a specific issue at a later date, information about the board's decision must be made public as soon as possible after it has been made.

4.13. Changes to the board of directors and management

The Company must publicly disclose nominations for directors and changes in the board, the CEO and CFO as soon as possible.

In good time before the general meeting, the Company should publicly disclose information about a person nominated to be a director. The information must include relevant details about the person's background and previous positions.

New directors and the CEO must meet the stock market's honourable conduct requirements, as set out in section 2.13.

Commentary

Nominations of new directors are normally included in the notice of a general meeting.

Under section 2.10, the Marketplace will carry out an honourable conduct review of new directors, the CEO and CFO.

New directors and the CEO must meet the stock market's honourable conduct requirements as set out in section 2.13.

Before the general meeting, the Company must provide information about the nominated director's previous positions and experience that are relevant in assessing their suitability for the directorship, e.g. previous and current experience as a director and in management, along with relevant education, training and professional experience.

Depending on the Company's organisation, different people and positions may be regarded as being of major importance to the Company's business. All changes in the Company's board of directors, CEO and CFO are deemed to be of major importance to the Company's business, however. Other personnel changes may also be of major importance. If the information constitutes insider information, it must be publicly disclosed in accordance with Article 17 of MAR. Examples are changes in the Company's management, CEOs of subsidiaries or other people possessing specialist skills. The importance must be assessed in each case and depends on the specific Company's organisation and line of business.

The Company is responsible for informing the Marketplace when it gains knowledge that a new director will be nominated, or a new CEO will be employed, and submit relevant documentation to the Marketplace for its review of the person.

4.14. Change of auditor

A change of auditor must be publicly disclosed.

If the Company's auditor stands down prematurely, the Company must publicly disclose this information as soon as possible.

4.15. Issue of securities

The Company must publicly disclose proposals or decisions whereby its share capital or number of shares (or other share-related financial instruments) change. The information must include all prerequisites and conditions for the issue.

The Company must also publicly disclose information about the outcome of the issue. The information must include the new number of shares, the new share capital, the percentage of shares subscribed, major changes in ownership, and the cost of the issue.

Commentary

The information disclosed must include also important information about the issue and the financial instruments. The information to be provided must at least include

- i. the reasons for the issue;
- ii. the timetable;
- iii. the terms of the issue (including information about agreements and any undertakings linked to the issue, details of any party that has underwritten the issue or undertaken to subscribe for shares, agreements and terms of any guarantees or undertakings, as well as information on the principles governing allotment);
- iv. the new number of shares;
- v. the new share capital;
- vi. the expected capital contribution; and
- vii. the cost of the issue.

The Marketplace may grant an exemption from the requirement to specify the cost if there are particular reasons for doing so, e.g. if the cost is unusually low, having regard to the size of the Company and/or the issue amount.

If any term has not been fixed at the time the issue is announced, or is later changed, the Company must disclose this new term as soon as the term, or its amendment, has been decided.

When the outcome is made public, it may be appropriate to repeat the most important terms of the issue. When an issue has been underwritten, the percentage of the shares subscribed for by the issue guarantors must be specified in the outcome.

4.16. Issue memorandum

If the Company makes a rights issue or public issue, and a prospectus is not legally required, the Company must publish an issue memorandum presenting relevant information about the Company and the offer no later than one trading day before the subscription period begins.

The issue memorandum must at least include the information specified in the Marketplace's Guidelines on Issue Memorandums, available on the Marketplace's website¹⁴.

The issue memorandum must be reviewed by the Marketplace before it is made public.

¹⁴ <https://www.spotlightstockmarket.com/sv/redan-noterad/vaegledning/>.

Commentary

As a rule, when shares are issued, a prospectus must be prepared and approved by the Swedish FSA. Exemption from the obligation to prepare a prospectus is granted in some cases. In this context, the most relevant instances where exemption may be granted are when the amount that the Company has intended to raise by issues, including the issue in question, over the previous 12-month period does not exceed €2.5 million, or the issue in question is directed to fewer than 150 private individuals or legal entities.¹⁵

If the Company is not obliged to prepare a prospectus, it must prepare and publish an issue memorandum. The issue memorandum must clearly state the use to which the capital that the Company intends to raise will be put. The purpose is to give investors an understanding of the Company's intended aim in raising capital.

If the Company makes an issue directed to customers of a bank or stockbroker in order to broaden share ownership, an issue memorandum must be prepared.

The Marketplace must receive the full issue memorandum, including a completed checklist (available on the Marketplace's website) no later than seven (7) whole trading days before publication. The memorandum, including the completed checklist, is to be sent to the Marketplace by e-mail.

The Marketplace may require information to be added to the emission memorandum if it considers that information to be important to the stock market.

4.17. Private placements

If the board of directors of the Company has drawn up a proposal or decided to issue shares to predetermined private individuals or legal entities, the Company must disclose all material information about the proposal or decision as soon as possible, including

- i. the name(s) of the person or persons to whom the issue is directed, together with the number of shares for which the person in question intends to subscribe;**
- ii. the reasons for disapplication of shareholders' preferential rights;**
- iii. how the issue price has been decided or is to be decided;**
- iv. the issue costs; and**
- v. how the Company has ensured or will ensure that the issue takes place on fair market terms.**

If an insurance company subscribes by way of a *kapitalförsäkring* (endowment insurance policy) or the like (giving the policy holder the power to make investment decisions within the scope of the policy), the name of the policy holder must be stated.

¹⁵ Trade in Financial Instruments Act (1991:980), Chapter 2, section 4.

Commentary

Listed companies must abide by generally accepted stock market practice, which means complying with statements issued by the Swedish Securities Council and the Swedish Corporate Governance Board Recommendation on Private Placements¹⁶. The recommendation states that issues must primarily take place with preferential rights for existing shareholders. Provided there are objective grounds for concluding that disapplication of preferential rights is in the interests of the shareholders, private placements may in some cases be deemed consistent with generally accepted stock market practice. Examples of objective grounds may be the cost of the issue, time factors or a desire for the Company to acquire one or more major, strategically important shareholders.

If there are particular reasons for doing so, the Marketplace may grant exemption from the requirement that the Company state the name(s) of the person or persons who have subscribed in the private placement. Exemption may be granted in certain cases for companies or funds regulated by the Swedish FSA (or equivalent foreign regulatory authority), since those entities must comply with rules and regulations governing conflicts of interests, among other things.

If there are particular reasons for doing so, the Marketplace may grant exemption from the requirement that costs incurred for the issue be specified, e.g. where the costs are unusually low.

4.18. Share-related incentive schemes

The Company must publicly disclose all decisions concerning the introduction of share-related incentive schemes. The information disclosed must specify the scheme's most important prerequisites and conditions.

The main rule is that the names of those eligible for the scheme must be given. In exceptional cases, e.g. if other members of staff are included, it suffices to make a general reference to the category. The number of people involved must always be specified.

Commentary

Information about share-related incentive schemes is important so that the market can assess the factors intended to motivate the Company's management and employees, and also to evaluate any dilution, and thereby be able to estimate the cost of implementing the scheme.

¹⁶ <http://www.bolagsstyrning.se/rekommendationer>.

The information, which is normally provided in a notice of a general meeting, should include the following.

- i. Design of the scheme;
- ii. the people eligible for the scheme;
- iii. timetable;
- iv. number of shares involved;
- v. motives and principles for allotment;
- vi. exercise period;
- vii. exercise price;
- viii. the main terms and conditions; and
- ix. information about the cost of the scheme, with details about how it has been calculated, including the assumptions underlying the calculation.

The rule only covers share-related schemes. In this context, the phrase “share-related schemes” means all schemes based on the value of the shares, i.e. including synthetic schemes under which no new shares are issued, settlement being made in cash.

4.19. Exercise of rights under share-related incentive schemes

When exercise of rights occurs under share-related incentive schemes, whereby shares are issued to scheme participants, the Company must disclose the following information as soon as possible after it has received applications for exercise of rights.

- i. **Number of shares issued;**
- ii. **new total number of shares;**
- iii. **new share capital; and**
- iv. **when the scheme was, or will be, concluded.**

Commentary

Where a small number of shares are acquired under the scheme, representing a maximum of five (5) per cent of the scheme, the Company may publicly disclose the information the last day of trading in the calendar month in which rights were exercised under the scheme.

4.20. Flagging – public disclosure of major changes in holdings

The Company must use its efforts to ensure that the market is informed when a shareholder’s holding of shares in the Company exceeds or falls below any of the thresholds: 5, 10, 15, 20, 25, 30, 50, 66.666 and 90 per cent of all shares in the Company or of the voting rights for all shares in the Company.

Commentary

If it comes to the Company's knowledge that a shareholder's holding of shares in the Company exceeds or has fallen below any of the thresholds, the Company must publicly disclose information about this as soon as possible. The information must generally include at least the following.

- i. Name of the shareholder;
- ii. name of the Company;
- iii. nature of the transaction (e.g. if the change has occurred due to purchase, sale or gift); and
- iv. the percentage of all shares and voting rights held by the shareholder before and after the transaction.

At the request of the shareholder, the Marketplace may make a flagging announcement.

If the shareholder publicly discloses such information by way of a press release, the Company is released from its duty to inform.

The shareholder's holding includes shares it holds in their own name and on their own behalf. The shareholder's holding also includes shares held by a legal entity controlled by the shareholder or another private individual or legal entity, if the shareholder controls how voting rights for the shares are to be exercised under an agreement or contract.


4.21. Agreements with closely-related parties

If the Company enters into an agreement with an associated party, this must be publicly disclosed unless the agreement is of minor importance to the Company. In this context, the term "associated party" means

- i. a director, the CEO or other employees of the listed company or another company in the same group;
- ii. a spouse, cohabitant, or a person under the guardianship or custody of any person listed in i) above;
- iii. a legal entity controlled by any person listed in i) and/or ii) above; or
- iv. a shareholder who controls more than ten per cent of the shares or voting rights in the Company.

Commentary

Information must be disclosed under this section if the agreement does not constitute a normal part of the Company's business. This means that disclosure is not necessary for matters that are available to many employees on similar terms.



Note also Swedish Securities Council Ruling AMN 2012:05, which addresses transactions between a company and executives or major shareholders of the company (parties associated with the company). The ruling sets out the following main points concerning the procedure when such transactions take place.

- The transfer or acquisition must be approved at a general meeting of the shareholders of the company, or its parent company if the transaction takes place at a subsidiary.
- The board of directors must draw up a presentation of the proposed transfer.
- A written valuation must be obtained from an independent expert.
- The written valuation and presentation must be publicly disclosed at least two weeks before the general meeting at which the matter is to be dealt with. The documents must also be presented at the meeting.
- The main contents of the proposal must be set out in the notice of the general meeting at which the matter is to be dealt with.
- The resolution is passed by a simple majority, disregarding the holding(s) of the executive in question and/or the shareholder.
- The term “executive” means the persons specified in Chapter 16 of the Swedish Companies Act (2005:551), as well as anyone who has recently belonged to that category.
- The term “major shareholder” means a shareholder of the company or, if the transaction takes place at a subsidiary, of the parent company, who holds at least ten per cent of the shares or voting rights in the company. If the shareholder is a private individual, the term “shareholder” includes a spouse or cohabitant, anyone who is under the custody or guardianship of the shareholder, and a legal entity over which the shareholder, alone or together with their spouse, cohabitant or person under their custody or guardianship, exercises control. If the shareholder is a legal entity, the term “shareholder” includes subsidiaries.

4.22. Far-reaching changes in the Company’s business

If the Company is the subject of a reverse acquisition or changes its business to such an extent that it appears to be a new company, the Company must publicly disclose information about the change and its consequences in accordance with section 2.21.

4.23. Decision on listing or delisting

The Company must publicly disclose decisions whereby it applies to be delisted from the Marketplace. The Company must also disclose information when it has decided to apply to be listed on a regulated market or other marketplace. Additionally, the Company must publicly disclose the outcome of the application.

4.24. Public disclosure of information necessary for fair and well-organised trade

If the Marketplace considers that specific factors give rise to substantial uncertainty about the Company or the traded Shares, the Marketplace may decide that the Company must publicly disclose additional information that the Marketplace considers necessary in order to be able to provide fair and well-organised trade in the Shares.

Commentary

The regulation applies whether or not given information is insider information.

4.25. Market maker

If the Company has concluded an agreement with a member of the Marketplace so that the member is to act as a market maker for the Shares, the Company must publicly disclose information as soon as possible about the agreement and when it will take effect. If the agreement with the market maker for the Shares terminates, the Company must publicly disclose information to that effect as soon as possible.

Commentary

Information about the identity of the Company's market maker is available on the Company's investor relations page on the Marketplace's website.

5. INFORMATION SUPPLIED TO THE MARKETPLACE

This chapter sets out regulations obliging the Company to provide information to the Marketplace in certain situations, even though public disclosure is not required. One reason for this is so the Marketplace can monitor trading in the specific Shares. There are no formal rules as to how the Marketplace is to be contacted; this is normally done by a telephone call to the Marketplace's Market Surveillance Unit.

5.1. Public takeover bids

If the Company is preparing to announce a public bid to acquire shares in another company traded on a regulated market or MTF, the Company must notify the Marketplace when there are reasonable grounds for assuming that the preparations will result in such a bid.

If the Company has been notified that another party plans to make a public bid to acquire the Company's shares, and this has not been publicly disclosed, the Company must notify the Marketplace if there is reason to assume that the plan will be realised.

Commentary

The Swedish Corporate Governance Board has issued regulations governing public bids for companies whose shares are traded on the Marketplace: *Takeover-regler för vissa handelsplattformar* ("Takeover Regulations for Certain Trading Platforms") (in Swedish).¹⁷

5.2. Advance information


If the Company intends to publicly disclose information that is expected to be of extraordinary importance for the Company and the Shares, the Company must notify the Marketplace before disclosure.

Commentary

If the Company intends to disclose information that is expected to be of extraordinary importance for the Company and the Shares, it is essential that the Marketplace receive information in advance, so it can decide the measures that may be required. The Marketplace also uses the information to monitor trade in the Shares in question, and to prevent insider trading. Examples of such information may be substantial financial difficulties, decisions of public agencies, public procurement, research findings, legal disputes and litigation. The Marketplace may also decide, for example, to impose a limited-time trading suspension, with cancellation of orders already placed in order to ensure that trading is fair.

If the information of extraordinary importance is insider information, which has not been subject to delayed disclosure, the Company is required to disclose the insider information as soon as possible. The Marketplace appreciates a good dialogue with

¹⁷ <http://www.bolagsstyrning.se/takeoverregler/takeoverregler-for-vissa-handelsplattformar>.



the Company and requests the Company to contact the Marketplace when they suspect or have an indication of events of extraordinary importance.

5.3. Delay of public disclosure

Public disclosure of insider information can be delayed under Article 17 (4), MAR; see section 3.10.

If the Company decides to delay disclosure, the Marketplace must be informed of the decision, and also as to how the criteria for delaying disclosure have been met.

5.4. Auditor's criticisms

The Company must report any criticisms that its auditor has expressed to the board of directors or CEO to the Marketplace as soon as possible in accordance with Chapter 9, section 39 of the Swedish Companies Act (2005:551) or equivalent provision in the country where the Company is legally domiciled.

The Company must notify the Marketplace as soon as possible if the auditor's report contains any statement or qualification as set out in Chapter 9, sections 31–35 of the Swedish Companies Act (2005:551) or equivalent provision in the country where the Company is legally domiciled.

5.5. Capital deficiency

If the Company considers that its existing operating capital is insufficient for the coming three (3) months, the Company must inform the Marketplace of this without delay.

Commentary

If there are doubts surrounding the Company's financial situation, the Company must present a plan for its future financing. This will often enable the Marketplace to avoid placing the Shares on the observation list.

5.6. Balance sheet for liquidation purposes (*kontrollbalansräkning*)

If the Company's board of directors considers there to be reason to prepare a balance sheet for liquidation purposes, the Company must inform the Marketplace of this without delay.

Under section 4.8, the Company must publicly disclose information about the balance sheet for liquidation purposes.

5.7. Events of extraordinary importance

If the Company gains knowledge of an event that has occurred that could cause a serious loss of confidence in the Company, the Marketplace or the stock market, the Company must inform the Marketplace of the event without delay.



Commentary

It is important that the Marketplace be informed about events concerning the Company or the Shares that could cause a loss of confidence in the Company, the Marketplace or the stock market as a whole. Examples of such events may be if a director, CEO or other senior executive is prosecuted for a criminal offence.

5.8. Beneficial owner

If the Company gains knowledge of a new beneficial owner (i.e. a shareholder who controls more than 25 per cent of the voting rights via shares), the Company must inform the Marketplace of this without delay.

Commentary

The Company must also report beneficial owners to the Swedish Companies Registration Office (Bolagsverket).

5.9. Submission of documents and company information

The Company must continuously ensure that the Marketplace has updated articles of association, and also contact details for the Company's head office, CEO and chair of the board, along with other contact persons for supply of information by the Company.

6. OBSERVATION LISTING, SUSPENSION OF TRADING AND DELISTING

General provisions governing observation listing, suspension of trading and delisting of the Shares are set out below.

6.1. Observation listing

The Marketplace may decide to place the Shares on the observation list if

- i. the Marketplace considers that the Company no longer meets the listing requirements;
- ii. the Company has applied for delisting, or the Marketplace or its Disciplinary Committee has decided on delisting;
- iii. the Company is the subject of a public takeover bid, or a bidder has announced its intention to make such a bid for the Shares;
- iv. the Marketplace considers that the Company is the subject of a reverse acquisition, or changes its business to such an extent that it appears to be a new company;
- v. there is material uncertainty about the Company's financial situation; or
- vi. there are any other circumstances giving rise to material uncertainty about the Company or the price of the Shares.

Commentary

A Company who enters a funding agreement can be placed under the observations list.

The purpose of observation listing is to give a clear signal to the stock market that there are circumstances or ambiguities about the Company or the Shares to which an investor should pay attention.

Observation listing as described above is intended to last for a limited period, usually no more than six months.

6.2. Suspension of trading

The Marketplace may order suspension of trading in the Shares

- i. if the Company's Shares do not meet the requirements to be traded on the Marketplace;
- ii. in the event of suspected market abuse;
- iii. if a takeover bid is made;
- iv. if investors do not have access to sufficient information about the Company or the Shares;
- v. if the Company intends to publicly disclose information likely to impact valuation of the Shares, and the Marketplace considers that the market needs a certain amount of time to digest the information; or
- vi. if the Company's financial position or situation in other respects is such that continued trading threatens to harm the interests of investors.

If suspension of trading is ordered, the Company must, if possible, use its efforts to remedy the circumstances causing the suspension as soon as possible.

Commentary

Trading must not be suspended for longer than necessary. The Company can request suspension of trading in its Shares, but the final decision is always made by the Marketplace.

6.3. Delisting application by the Company

The Company can apply to have its Shares delisted. The Marketplace will approve the application and decide the final day for trading in the Shares in consultation with the Company.

Commentary

In general, a company that has applied for delisting can have its shares delisted no earlier than four weeks after the delisting decision has been announced. If the Company's shares are heavily traded, and if the Company has a large number of shareholders, the shares may be delisted later, but no more than three (3) later. A decision to delist shares includes all the Company's financial instruments admitted to trading on the Marketplace.

In conjunction with a public takeover bid, the Marketplace may accept delisting effective two weeks after announcement of the delisting decision. This presupposes that the bidder owns 90 per cent or more of the shares in the Company, and that the bidder has announced that a "squeeze out" (buy-out) process will be commenced. In each case, the Marketplace makes an assessment of a suitable date for delisting.

6.4. Delisting decision by the Marketplace

In addition to situations described in section 6.3, the Marketplace is entitled in the following instances to decide that the Company's shares are to be delisted.

- i. **The Company has been declared bankrupt or has gone into liquidation;**
- ii. **the Company has decided to discontinue its business or has decided to take equivalent steps;**
- iii. **the Company is the subject of a reverse acquisition or changes its business to such an extent that it appears to be a new company, and it is not considered that the Company will be able to carry out a new listing process within a reasonable time;**
- iv. **the Company does not meet the listing requirements, and has been unable to remedy the problems in question, or, in the sole judgement of the Marketplace, it is not considered to be able to meet the listing requirements; or**
- v. **following a reminder, the Company has not performed its obligation to pay fees in accordance with section 1.2.**

A delisting decision must include all Shares on the Marketplace.

7. PENALTIES

7.1. Penalties

7.1.1. Penalties – Disciplinary Committee

If the Company breaches the information rules of the Regulations, law, ordinance, other statute or generally accepted practice in the stock market, the Marketplace may report the matter to its Disciplinary Committee.

If the breach is serious, the Disciplinary Committee may decide to delist the Company's Shares or, in other cases, impose a fine on the Company in a maximum amount of one million Swedish kronor (SEK 1 million). If the breach is less serious or excusable, the Disciplinary Committee may issue a public warning to the company instead of imposing a fine.

A fine may be payable according to a ten-point scale. In fixing an individual company's fine, account must be taken of the extent of the breach, other circumstances, and the market capitalisation of the Company the day before the Disciplinary Committee issues its decision, as shown in the table below.

| Market capitalisation of the Company | Amount | Severity | Fine |
|--|-------------|----------|-------------------------|
| SEK 1 – 50 million | SEK 20,000 | 1 – 10 | SEK 20,000 – 200,000 |
| SEK 50*– 200 million *SEK 50,000,001 | SEK 25,000 | 1 – 10 | SEK 20,000 – 250,000 |
| SEK 200* – 500 million *SEK 200,000,001 | SEK 30,000 | 1 – 10 | SEK 30,000 – 300,000 |
| SEK 500* – 1,000 million *SEK 500,000,001 | SEK 50,000 | 1 – 10 | SEK 50,000 – 500,000 |
| SEK 1,000* – 5,000 million *SEK 1,000,000,001 | SEK 75 000 | 1 – 10 | SEK 75,000 – 750,000 |
| SEK 5,000* million – *SEK 5,000,000,001 | SEK 100 000 | 1 – 10 | SEK 100,000 – 1,000,000 |

7.1.2. Penalties – Marketplace

The Marketplace may decide on criticism. If the Marketplace concludes that the breach is serious, the matter will be referred to the Disciplinary Committee for its decision. Criticism of this kind made by the Marketplace is disclosed publicly in anonymised form in the annual report of the Market Surveillance Unit.



Commentary

The Marketplace decides whether a breach of the Regulations is so serious that the matter is to be referred to the Disciplinary Committee for its decision.

Before the matter is referred to the Disciplinary Committee, the Marketplace requests a written explanation by the Company concerning what has occurred. Depending on the nature of the breach and the Company's attitude, the Marketplace may choose to close the matter by issuing a critical statement about the Company, published in anonymised form in the annual report of the Market Surveillance Unit, or to close the file on the matter without taking further action.

If the breach is serious, and the Company's statement does not give cause for any other assessment, all documents in the matter are sent to the Disciplinary Committee. The Disciplinary Committee then sends a written enquiry to the Company asking whether it wishes to submit additional comments in the matter before it is decided. It is open to the Company to present its arguments orally to the Disciplinary Committee. When it submits its comments, the Company must also state whether it requests an oral hearing. The Marketplace is also entitled to request an oral hearing. If neither party requests an oral hearing, the matter will normally be decided by the Disciplinary Committee on the basis of the documents submitted, unless the Disciplinary Committee finds there to be particular reasons for holding an oral hearing. If a fine is imposed, the Marketplace undertakes to use the fine on measures to promote good ethical standards and sound practice in the securities market.

Members of the Disciplinary Committee

The Disciplinary Committee is to comprise a chair and at least two other members. All members must be independent and a well-suited to the task.

A member of the Disciplinary Committee must not have a dependent relationship with the Marketplace. Hence, the Disciplinary Committee may not include persons who are employed by, or work under a long-term engagement for, the Marketplace, a company with a major holding in the Marketplace or a company belonging to the same group of companies as the Marketplace.
