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NASDAQ STOCKHOLM'S

DECISION

November 30, 2022

DISCIPLINARY COMMITTEE

2022:09

Nasdaq Stockholm

Trelleborg AB (publ)

DECISION

The Disciplinary Committee orders Trelleborg AB (publ) to pay a fine to Nasdaq Stockholm corresponding to four times the annual fee.

Motion

The shares in Trelleborg AB (publ) ("Trelleborg" or the "Company") are admitted to trading on Nasdaq Stockholm (the "Exchange"). Trelleborg has signed an undertaking to comply with the Exchange's rules for issuers applicable from time to time (the "Rule Book").

The Exchange alleges that Trelleborg violated section 1.3.1 of the Rule Book by failing to provide the Exchange with the information it requires for surveillance of Trelleborg as an issuer and section 3.1.1 of the Rule Book by failing to publish a leakage press release in a timely manner.

Trelleborg disputes the violations of the Rule Book alleged by the Exchange.

Neither of the parties has requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

Reasons for the decision

The Rule Book

Pursuant to section 1.3.1 of the Rule Book, an issuer must provide the Exchange with the information it requires for the surveillance of the issuer.

Pursuant to section 3.1.1 of the Rule Book, an issuer shall disclose inside information in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“MAR”).

Article 17(1) of MAR requires an issuer to inform the public as soon as possible of inside information which directly concerns the issuer.

According to Article 17(4) of MAR, an issuer may, on its own responsibility, delay disclosure to the public of inside information provided that:

- (a) immediate disclosure is likely to prejudice the legitimate interests of the issuer;
- (b) delay of disclosure is not likely to mislead the public; and
- (c) the issuer is able to ensure the confidentiality of that information.

According to Article 17(7) of MAR, an issuer that has delayed the disclosure of inside information, when the confidentiality of the information can no longer be ensured, shall disclose such information to the public as soon as possible. This applies, *inter alia*, where a rumour explicitly relates to inside information the disclosure of which has been delayed, where that rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

Considerations

Publication of the leakage press release

On December 23, 2021 at 3:17 pm, Dagens Industri published a news article in which it was claimed that the Company might sell its Wheel Systems division to Yokohama for SEK 20 billion. The Exchange contacted the Company on the same day to inquire, according to the Exchange, whether the information in the article constituted a leak of inside information and, if so, justified a public disclosure by the Company and suspension of trading in the Company's shares. However, the parties have different views on exactly what was said in this conversation. On 27 December at 2:00 pm, the Company issued a press release stating that external parties had expressed interest in acquiring the Company's Wheel Systems business area and that discussions were at an early stage. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to MAR. On March 25, 2022, the Company disclosed that it had sold Wheel Systems to Yokohama for SEK 22 billion.

The Exchange has argued: The press release of December 27, 2021 states that the Company considered the information regarding the possible sale of its Wheel Systems division to Yokohama to constitute inside information. The press release of 27 December does not contain any information other than that which appeared in Dagens Industri's article of 23 December and it is undisputed that the facts concerning the possible sale did not change between 23 and 27 December. The information regarding the sale must therefore have constituted inside information already on 23 December and when this information was published by Dagens Industri, the Company was required, under Article 17(7) of MAR, to disclose this information to the public as soon as possible. By not publishing the information until 27 December, the Company thus violated Article 17(7) of MAR as well as section 3.1.1 of the Rule Book.

The Company has argued: The Company decided to delay disclosure on June 3, 2021, as a consequence of a potential future divestment of the Trelleborg Wheel Systems business area and opened an insider list in connection therewith. For several years, there has been speculation and rumours regarding whether the Company would sell the Trelleborg Wheels Systems division. Journalists and investors have asked questions about this, to which the Company, in accordance with the Company's disclosure policy, has responded that the Company does not comment on rumours. The information stated in Dagens Industri had already been published on December 14, 2021 on the Tyrepress website. In the relevant article from Dagens Industri, there was speculation of a USD 2 billion offer for the Wheel Systems division and that the transaction would be completed at the end of January. The Company believes that the media speculations were correct in that the Company was evaluating an indicative offer for the Wheel Systems division but, given that the discussions were at an early stage and involved a different amount (in a currency other than US dollars and with an earn-out component), the media speculations indicated that it was wholly or partly rumour which was not linked to an information leak. The Company's policy on rumours is not to comment on them in the media, but in this case the spread of the rumour was so strong - and increasing over the Christmas holidays - that the Company, in consultation with Nasdaq on the morning of December 27, 2021, concluded that a leakage press release would be appropriate and that the leakage press release would be preceded by suspension of trading. Taken as a whole, the Company is of the opinion that the publication on December 27, 2021 took place as soon as possible and appropriately after the Company had had the opportunity to consult with the Exchange.

The Disciplinary Committee notes that it is undisputed in the matter that the information regarding the possible sale of Wheel Systems constituted inside information, an assessment that the Company already made on June 3, 2021, when the Company also took the decision to delay disclosure to the public pursuant to Article 17(4) of MAR. Dagens Industri's article of December 23, 2021 contained both a correct indication of the buyer as well as an indication of the purchase price which was very close to that for which Trelleborg later sold Wheel Systems. In view of the specificity of the information and what has otherwise come to light in the matter the Disciplinary Committee is of the opinion that, taken as a whole, it is unlikely that the article was based on speculations in the manner argued by the Company. The media reports were sufficiently clear to duly lead to the conclusion that the confidentiality of the inside information could no longer be ensured. The Company should therefore have published a leakage press release on December 23, 2021. Consequently, the Company violated Article 17(7) of MAR and thus section 3.1.1 of the Rule Book. It has not been claimed that the corresponding information that appeared in the media a week or so before the article in Dagens Industri constituted a leak of inside information.

The company's disclosure of information to the Exchange

After Dagens Industri's article was published on 23 December, the Exchange contacted the Company at 3:39 pm on the same day to inquire whether the information contained in the article constituted a leak of inside information and, if so, whether it justified a public disclosure by the Company and a suspension of trading in the Company's shares. The conversation took place with the Company's IR Manager. The course of the conversation is disputed, but it is clear that after the conversation, the Exchange did not find any reason for any such actions. Shortly after 6:00 pm on the same day, the Exchange was contacted by the

Company, which wished to discuss the matter further. Subsequent discussions, which resumed on the morning of 27 December after the Christmas holiday, revealed that the Company deemed the ongoing sales discussions to constitute inside information. In light of this and since the confidentiality of the information, in light of reports appearing in the media, was not deemed to be ensured, the Exchange decided, before the start of the trading day on that same day, to suspend trading in the Company's shares on Nasdaq Stockholm.

Trelleborg has argued: It is true that the Exchange made contact with the Company's IR manager on 23 December at 3:39 pm. At that time, the Exchange sought to ascertain the veracity of the media speculations and asked the IR manager whether it was true that far-reaching discussions had been held regarding a divestment of Trelleborg Wheel Systems. He replied that, to his knowledge, no such discussions had taken place and that due diligence had therefore not been initiated. After the call with the Exchange at 3:39 pm, the IR Manager immediately contacted the Company's general counsel, who initiated the usual internal mapping of the information flow. In brief, this involved a review of all media reports as well as direct contact with the Company's negotiating team to ascertain the exact information situation in the ongoing negotiations with Yokohama and, if necessary, initiating contact with the Exchange. The commercial discussions between the Company and Yokohama were at an early stage and the evaluation of an indicative offer was still pending. Once the mapping was completed (which, in light of the fact that it was the late afternoon on the day before Christmas Eve, took slightly more time than usual) the Company made the assessment the speculations in Dagens Industri were correct insofar as the Company was evaluating an indicative offer from Yokohama for the Wheels System division. No further media activity could be noted, nor did the Company note any changes in the trading pattern for the Company's shares. Consequently, the Company's assessment on the afternoon of December 23, 2021 was that there was no leak. Instead, the information in Dagens Industri published at 3:17 pm constituted such rumours and speculation about possible transactions on which the Company, according to its information policy, does not comment.

As the IR Manager was not informed of the exact internal information at the time of the call with the Exchange at 3:39 pm and the conclusion reached regarding a possible leak of insider information described above, the Company initiated contact with the Exchange shortly after 6:00 pm on December 23, 2021. At that time, Trading Surveillance at the Exchange stated that the Company should revert to Issuer Surveillance to discuss the matter after the Christmas holiday, i.e. on 27 December at 8:00 am. As the matter concerned a question from the Exchange about possible undisclosed inside information and in light of the requirement in Article 17(1) MAR that disclosure be made as soon as possible, the Company decided to write an e-mail to the Exchange at 6:49 pm December 23, 2021 regarding the matter. At 8:26 pm on December 23, 2021, the Exchange called the general counsel and thereby received information from the Company regarding the internal information and the Company's assessment as described above. During this conversation, the Company explained that it was in the process of evaluating an indicative offer from Yokohama, that commercial discussions between the Company and Yokohama were at an early stage, and that the Company believed that a leakage press release was not necessary but, instead, that the article was an expression of speculations that had already appeared in the trade press. Although the conversation did not explicitly address whether the Company made the assessment that the information regarding a possible sale of Wheel Systems constituted inside information, the basis for this conversation must, in the Company's opinion, have been that it concerned inside information, since it was the evening before Christmas Eve and the Company actively sought contact with the Exchange.

The Exchange has argued: The Exchange and the Company have different views regarding the course of the conversations on the afternoon of 23 December but, nevertheless, the Company, in that context, had a duty to provide the Exchange with reliable information as to whether the information in the media was accurate and constituted inside information. The fact that the Company's IR Manager was not informed in this respect does not affect this assessment. According to the Exchange, an issuer must ensure that such a contact person either has access to all relevant inside information or that the person is aware that they might not have it. In the latter case, in a situation of this kind, the contact person has a duty to inform the Exchange that the contact person may not be fully informed about what inside information there is involving the Company and must investigate the matter in detail immediately. As no such information was provided during the Exchange's conversations with the Company and as the Company did not return with additional and accurate information until several hours later and after the end of the trading day - when the possibility of a suspension of trading in the Company's shares on the same day had, naturally, been lost - the Exchange was not provided with the information it needed to perform its duties in a timely manner. It is therefore the Exchange's assessment that the Company violated section 1.3.1 of the Rule Book.

The *Disciplinary Committee notes* that the Exchange's Issuer Surveillance contacted the Company, through the IR Manager, at 3:39 pm after having taken notice of Dagens Industri's article. Exactly what was said in this conversation is in dispute. However, in view of the circumstances and the reasons that Issuer Surveillance normally has for contacting an issuer as a result of potentially price-sensitive information about the issuer that the company itself has not disclosed and that has appeared in the media, the Disciplinary Committee cannot draw any conclusion other than that the conversation must have concerned whether the information in the media was correct and whether the information constituted inside information. The Company did not provide clarifying information to the Exchange in this regard until after 6:00 pm on the same day. Consequently, by failing to provide the Exchange with the information it needed to be able to conduct surveillance of the issuer in a timely manner, the Company violated section 1.3.1 of the Rule Book.

The Disciplinary Committee finds that the Company violated Article 17 of MAR and thus section 3.1.1 of the Rule Book and, in connection therewith, also section 1.3.1 of the Rule Book. The Disciplinary Committee holds that the violations are serious, and therefore a fine shall be imposed as a sanction. The Disciplinary Committee sets the fine at four times the annual fee.

On behalf of the Disciplinary Committee,

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is written over a light blue horizontal line.

Marianne Lundius

Former Justice Marianne Lundius, former authorised public accountant Svante Forsberg, company director Jack Junel, *Advokat* Wilhelm Lüning and *Advokat* Erik Sjöman participated in the Committee's decision.

Secretary: Associate Professor Erik Lidman