NASDAQ OMX Copenhagen's Decisions and Statements in 2013

I. MAIN MARKET

1. REPRIMANDS

SHARES

1.1 Notice to attend the general meeting

The notice to attend the general meeting in a company, including the agenda, was brought in a newspaper prior to the disclosure of an announcement from the company.

It is evident from rule 3.3.3 in Rules for issuers of shares on NASDAQ OMX Copenhagen A/S that the notice to attend the general meeting must be disclosed.

It is also evident in the comment to rule 3.3.3 in Rules for issuers of shares that even though a notice does not contain any price sensitive information the notice must in general be disclosed at the same time as the advertisement is sent to a newspaper. There may, however, be situations where certain information is still outstanding when a draft notice is sent to a newspaper for publication. This could be one reason to await the disclosure until the notice is finalized. The notice must, however, always at the latest be disclosed the evening before the notice is expected to be published in a newspaper and before it is made available on the company's web site. It is thus not sufficient to disclose the information the same morning as the notice will be published in a newspaper.

On the basis of the above the exchange requested that the company gave an explanation as to how the newspaper could bring a notice to attend the general meeting prior to the disclosure from the company.

The company could inform that the company had followed the regular procedures. Furthermore, the company informed that the internal procedures for the disclosure of the notice to attend the general meeting have subsequently been revised.

The exchange reprimanded the company that the notice to attend the general meeting was brought in a newspaper prior to the disclosure of the notice from the company, cf. section 3.3.3 of Rules for issuers of shares.

1.2 Development of annual general meeting

A listed company held the annual general meeting on a Wednesday. The development of the annual general meeting was disclosed Friday morning and therefore not immediately after the annual general meeting.

In rule 3.3.3 in Rules for issuers of shares on NASDAQ OMX Copenhagen it is stated that a company shall disclose resolutions adopted by the general meeting of shareholders unless such resolutions are

insignificant. Furthermore the commentary in rule 3.3.3 states that after the general annual meeting a notice about decisions made should be disclosed.

It furthermore follows from rule 3.1.3 that disclosure of information covered by these Rules shall be made as soon as possible, unless otherwise specifically stated.

In light of the above the exchange requested the company to explain the reason why the development of the annual general meeting was not disclosed immediately after the completion of the annual general meeting.

The company explained that the general meeting ended at 15:00. The chairman forwarded a draft summary for approval by the company's CEO in the morning the following day. The CEO immediately made comments. The chairman sent the approved report during the evening and the employee responsible for the disclosure, arranged the disclosure on Friday morning.

The exchange rules are among other things intended to ensure that all market participants have access to the same information at the same time. The requirement to inform the market as soon as possible means that very little time may elapse from the time when a decision is taken or an event occurs, and until the disclosure thereof. The requirement furthermore entail that it is not possible to provide price sensitive information e.g. at general meetings without disclosure of the information.

It is the opinion of the exchange that the developments of general meetings shall be disclosed immediately after the completion of the general meeting and as a rule the same day as the holding of the general meeting.

The exchange reprimanded the company for not disclosing the development of the annual general meeting immediately after the completion of the annual general meeting, in accordance with the Rules for issuers of shares rule 3.1.3 and rule 3.3.3.

1.3 Appropriate procedures, controls and systems

(Østjydsk Bank A/S)

In January a company disclosed an announcement from which it appeared that the company, as a result of a significantly larger depreciation than previously assumed, expected a loss of around 175 to 200 million before tax.
In early February the company disclosed its annual report. From this it appeared that both internal and external audit had submitted additional information regarding conditions in the report, referring to the fact that "the management of the bank, in connection with yearend 2012, had found that the bank's procedures and internal controls of credit were not sufficient to ensure consistent and correct procedures for credit treatment of the bank's exposures in order to assess and determine the need for any potential depreciation in accordance with the practice on guidelines for the calculation of individual depreciation and charges on loans and guarantees announced by the Financial Supervisory Authority."

From rule 3.1.1 in Rules for issuers of shares it is apparent that a company must disclose information as soon as possible regarding decisions or other facts and circumstances that directly concern the company.

Furthermore it appears from Rules for issuers of shares rule 2.4.2, cf. rule 2.1.3 that a company shall [...] maintain adequate procedures, controls and systems, including systems and procedures for financial

reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information as required by the exchange.

Based on the above the exchange requested that the company concretely and in detail relate to the additional information made by the auditors in regards to whether the company should have been capable of assessing and estimating the possible need for depreciations earlier in 2012.

In the explanation the company among other things stated that the board and the management until January 2013, based on the bank's announcement about increased depreciation during 2012 including that the depreciation is already affected by the FSA's stringent guidelines, did not have any cause or basis to believe that the bank's procedures and internal controls on the credit area were insufficient to ensure consistent and correct procedures in correlation with the reported practice from the Financial Supervisory Authority.

Furthermore the company stated that the management acted consistently and confidentially as quickly as possible in accordance with the applicable rules when issues are being made visible to them.

The exchange concluded that the internal audit and external audit provide additional information regarding the company's procedures and internal controls on the credit area.

Based on the above the exchange reprimanded the company that the company had not maintained appropriate procedures, controls and systems in order to meet its disclosure obligations, cf. Rules for issuers of shares rule 2.4.2 and 3.1.1.

1.4 Development of the general meeting

A listed company held an annual general meeting on a Wednesday. The development of the annual general meeting was published Thursday in the afternoon and therefore not immediately after the annual general meeting.

In rule 3.3.2 in Rules for issuers of shares it is stated that the company shall disclose resolutions adopted by the general meeting of shareholders unless such resolutions are insignificant. Furthermore the commentary in rule 3.3.3 states that after the general annual meeting a notice about decisions made should be disclosed.

It furthermore follows from rule 3.1.3 that disclosure of information covered by these Rules shall be made as soon as possible, unless otherwise specifically stated.

In light of the above the exchange requested the company to explain the reason why the development of the annual general meeting was not published immediately after the completion of the annual general meeting.

The company explained that the chairman of the meeting and the company misunderstood agreements with respect to the completion and approval the development of the general meeting. The chairman hurried to a new meeting which stretched to the next day before the company became aware of the fact that the development of the general meeting had not been approved and disclosed.

The exchange rules are among other things intended to ensure that all market participants have access to the same information at the same time. The requirement to inform the market as soon as possible means that very little time may elapse from the time when a decision is taken or an event occurs, and until the disclosure thereof. The requirement furthermore entail that it is not possible to provide price sensitive information e.g. at general meetings without disclosure of the information.

It is the opinion of the exchange that the developments of general meetings shall be disclosed immediately after the completion of the general meeting and as a rule the same day as the holding of the general meeting.

The exchange reprimanded the company for not disclosing the development of the annual general meeting immediately after the completion of the general annual meeting, in accordance with the Rules for issuers of shares rule 3.1.3 and rule 3.3.2.

UCITS

1.1 Disclosure of development of the general meeting

A listed investment undertaking held an ordinary general meeting on a friday. The development of the general meeting was disclosed the following Monday after the opening of the market after, and therefore not immediately after the general meeting.

In rule 3.8.9 in Rules for issuers of investment undertakings it is stated that the development and information about resolutions passed shall be disclosed immediately after the general meeting.

Furthermore it is evident from rule 3.2 in Rules for issuers of investment undertakings that all matters covered by the investment undertaking's disclosure obligation shall be disclosed as soon as possible.

In light of the above the exchange requested that the investment undertaking gave an explanation as to why the development of the general meeting was not disclosed immediately after the meeting took place.

It was evident from the statement of the investment institute, that no market influential decisions were made at the general meeting and that the disclosure took place in accordance with previous practice.

The exchange reprimanded the investment undertaking that the development of the ordinary general meeting was not disclosed immediately after the meeting took place, in accordance with the Rules for issuers of investment undertakings rule 3.8.9.

1.2 Notification of the annual general meeting

Immediately after the notification of the annual general meeting was published, an investment management company contacted NASDAQ OMX Copenhagen and announced that the notification ought to have been published approx. 10 days earlier, where the notification was announced both through the investment undertakings website and by written announcement to the registered investors of the investment undertaking.

The investment management company reported that the delay in the notification was unfortunately due to an administrative error from the investment management company and that they have increased the attention on the matter to avoid similar situations in the future. The investment management company further noted that the agenda for the general meeting did not include proposals for statutory changes or other major changes to the investment undertaking.

It is evident from rule 3.8.9 in Rules for issuers of investment undertakings on NASDAQ OMX Copenhagen A/S, that the notice convening the general meeting must be published. In rule 3.2 it is evident that all matters covered by the investment undertaking's disclosure obligation shall be published as soon as possible.

On this background the exchange reprimanded the investment undertaking, that the notice convening the general meeting was not published in compliance with rule 3.8.9 in Rules for issuers of investment undertakings, cf. rule 3.2.

1.3 Disclosure of the annual report

(Investeringsforeningen MS Invest)

An investment undertaking admitted to trading published a company announcement regarding the approval of its annual report for the financial year 2012. From the announcement it appeared that the annual report was available for downloading on the investment undertaking's website the same day.

NASDAQ OMX Copenhagen (the exchange) found that the annual report was not made available until the day after and furthermore it appeared from the annual report that the Board of Directors and the auditors had approved this the day before the announcement was published. The exchange also found that the investment undertaking's financial calendar stated that the annual report would be published 12 days earlier.

From the Rules for issuers of investment undertakings rule 3.8.13 it appears that immediately upon board approval of the audited financial statements, the investment undertaking shall issue a preliminary announcement of the financial statements, which shall be a short summary of the annual report.

Furthermore it appears that the investment undertaking does not need to publish a preliminary announcement of the financial statements if it publishes the audited annual report immediately upon board approval.

It appears from the Rules for issuers of investment undertakings rule 3.8.12 that if the undertaking changes the dates listed in the financial calendar at which preliminary announcements of financial results, the annual report and interim report, if relevant, are likely to be published, the undertaking shall issue an announcement not later than one week before the original dates, stating the new dates at which publication is likely to be made.

The investment undertaking was requested to explain for the circumstances mentioned above.

From the explanation by the investment undertaking it appeared that the Board of Directors had decided to cancel the planned board meeting on the same day as it was meant to be held and postponed it 11 days. Because of an unfortunate mistake a publication of the revised financial calendar did not happen at the time when the board decided to postpone the meeting.

Furthermore it appeared from the explanation that the annual report was approved on the board meeting with a remark that a single condition was to be verified before the approval was final.

This was examined the following day and the person responsible for the investment undertaking's website was informed that the annual report had been approved and could be published on the website. The examination, however, was no completed until after 4 pm, and therefore the publication took place at the beginning of the next working day.

On the basis of the explanation the exchange found that the annual report was not finally approved on the date of the management statement and the exchange therefore found that the dating of the annual report was incorrect. At the same time the exchange emphasized that there is nothing to hinder that the

annual report is published via a link to a website. If however the annual report is made available at a later moment, the publication would only be considered as having taken place when the annual report is made publicly available.

Based on the above the exchange reprimanded the investment undertaking that it did not, in accordance with Rules for issuers of investment undertakings rule 3.8.12, publish a revised financial calendar when the Board of directors postponed the originally planned board meeting where the annual report was meant to be approved. Furthermore the exchange reprimanded that the annual report was published the day after the final approval by the Board of Directors, cf. rule 3.8.13. Additionally the exchange found it unfortunate that the management statement in the annual report was dated 2 days before the actual publication of the annual report.

1.4 Change in management

(Sparinvest)

An investment undertaking admitted to trading disclosed two company announcements which stated that two directors had been dismissed. Prior to the disclosure of the company announcements this information appeared in www.finanswatch.dk.

From rule 3.1 in Rules for issuers of investment undertakings it appears that the investment undertakings are required to ensure that everybody has equal access to material information which may be assumed to be of significance to the pricing of the units. Moreover, the investment undertakings are required to ensure that no unauthorized party gets access to such information before it is published.

Furthermore it appears from rule 3.8.7 that all changes in the composition of the investment undertaking's supervisory board, executive board or investment management company or management company, respectively, any significant changes among the managerial staff and the appointment, resignation or dismissal of the association's auditors shall be made public as soon as possible.

On this basis the exchange requested the investment undertaking to explain the reason why the changes in management appeared in the press prior to the disclosure of the announcements.

From the explanation it appeared that the fact that the changes in management appeared in a press release prior to the publication of the company announcements was due to an internal communication error which by mistake caused the press release to be sent out before the company announcements, which should have been disclosed first.

The exchange reprimanded the investment undertaking that it disclosed information regarding the changes in the management in a press release prior to the disclosure of the information in a company announcement in accordance with rule 3.8.7 in conjunction with rule 3.1 of the Rules for issuers of investment undertakings.

2. DECLARATIONS AND OTHER CASES

2.1 Deletion from trading and official listing without request from the company

(DKTI A/S)

DKTI A/S (the company) had since end of 2011 undergone a number of changes in relation to the company's ownership structure, management and organization as well as the company's business activities.

The management and the board had been changed twice since 2011. Furthermore the company's objectives in the articles of association were altered. The assets (listed securities) were sold and the company was therefore without any actual activity as of the end of 2011.

The company disclosed an announcement in October 2011 from which it was apparent that the company had initiated exclusive negotiations with Dandrit Biotech A/S (Dandrit) regarding adding a new activity to the company.

NASDAQ OMX Copenhagen (the Exchange) drew the attention of the company towards Rules for issuers of shares, paragraph 2.9, of which it is clear that the Exchange in situations where significant changes are made in a public limited company, including significant changes in ownership structure, the capital base, the company's activities or the company's management, name etc. so that the Exchange from an overall evaluation would consider that the company is in fact a new company, must decide whether the shares of the company may continue to be admitted to trading. On this background the attention was furthermore drawn to the Exchanges requirements for listing, which are found in section 2, Listing Requirements for admitting shares to trading, in Rules for issuers of shares.

In the letter the Exchange furthermore referred to paragraph 3.3.8 (previous 3.3.9) *Change in identity* in Rules for issuers of shares of which it is evident that If substantial changes are made to a company during a short period of time, or in its business activities in other respects, to such a degree that the company may be regarded as a new undertaking, the company shall disclose information about the changes and consequences of the changes.

The Exchange held a series of meetings with the company primarily regarding the planned transaction with Dandrit. It was characteristic for the meetings that the company was represented by changing representatives and advisors for the company and Dandrit, which resulted in an inconsistent and inappropriate process.

In addition to the meetings the Exchange requested some information and statements from the company in order to evaluate whether the company fulfilled the listing requirements of the Exchange. Throughout the process the Exchange provided comments to the statements and other documentation from the company and several times requested further information. The Exchange did not receive sufficient information upon these requests.

On this background the Exchange sent a letter to the company in May 2013, in which the Exchange requested to receive a statement within a given deadline, where the company's management in detail and satisfactorily answered in which manner the company met every single listing requirement in the rules of the Exchange.

In the period prior to the deadline the company convened an extraordinary general meeting. The extraordinary general meeting was prompted by the request of two minority shareholders and the agenda contained a number of proposals to hand over various authorizations to the board, including proposals in relation to the company's future strategy. It was evident from the proxy form that the board favourably recommended all of the proposals. The Exchange contacted the company in order to clarify how the agenda for the general meeting would influence the process between the company and Dandrit. The company soon after disclosed an announcement - "Update from the board". The announcement stated that the board of the company had decided to change the strategy of the company in order to focus on investments in non-listed companies. Furthermore, the plans of a merger between the company and Dandrit Biotech A/S would be abandoned.

Following the extraordinary general meeting the company disclosed an announcement - "Update from the board". From this announcement it was apparent that the management, at the extraordinary general meeting, had informed of the company's change of strategy so that in the future it would be an investment company. Furthermore, a minor loan to Dandrit Biotech A/S was mentioned. Except for one point on the agenda being waived, it was not clear whether the board had been given authorization regarding the remaining proposals on the agenda. It is hereby the opinion of the Exchange, that the communication from the company regarding the resolutions of the extraordinary general meeting was inaccurate and insufficient seeing that it was not evident whether decisions were made regarding the proposals on the agenda – and therefore whether the general meeting gave authorization to the board in relation to the proposals on the agenda, cf. Rules for issuers paragraph 3.1.2 and paragraph 3.3.2.

The Exchange received a statement from the company just after the deadline.

The statement described the company in relation to this new strategy, where the transaction with Dandrit had been abandoned. In the statement the company did not recount in which way it fulfilled the listing requirements.

At the end of June the Exchange informed the company that the Exchange did not find that the company fulfilled all the listing requirements.

The company was given a week's deadline further to provide a new written statement and was at the same time requested to take part in a meeting to explain how the company intended to meet the listing requirements. The company was also informed that if the company hereafter did not meet the listing requirements the Exchange would take actions in regards to a deletion of the company from trade.

The Exchange received a letter from the company containing a plan, according to which the company would act. The Exchange was not presented with a detailed and concrete plan of action regarding the aspects mentioned in the company's letter and the Exchange did therefore not find the received plan sufficient as a basis to assess the company's compliance with the listing requirements. In addition, despite the encouragement from the Exchange no meeting was held between the company and the Exchange.

It is stated in Rules for issuers of shares, paragraph 2.1.3 that listing requirements for admitting shares to trading shall apply at the time when the shares of the company are admitted to trading, as well as continuously when shares are traded at the market – with exception of the rules 2.3.5, 2.3.6 and 2.3.8., where the Exchange is of the opinion that the change in operation is such that it can be equated with the listing of a new company, the Exchange may initiate an examination comparable to that conducted for

an entirely new company applying for listing on the Exchange, cf. Rules for issuers of shares, paragraph 3.3.8.

According to the Securities Trading Act, paragraph 18 *an operator of a regulated market shall be responsible for the market being conducted in an adequate and appropriate manner. […]The operator shall check that issuers of securities admitted to trading on the regulated market comply with their disclosure obligations, […] check regularly that securities admitted to trading continue to comply with the admission requirements.*

According to Rules for issuers of shares, paragraph 2.9, deletion from trade can be decided by the Exchange according to section 25 of the Danish Securities Trading Act. It follows from section 25 that an operator of a regulated market may remove a security from trading on the regulated market, if the security no longer meets the regulations of the regulated market. However, removal may not take place if it is likely that this will be of significant detriment to the interests of the investors or the proper functioning of the market.

It follows from the commentary to paragraph 2.9 in Rules for issuers of shares:
"Pursuant to this provision it is the decision of the Exchange if admittance to trading no longer fulfils the rules of the market and that a deletion this will not cause sufficient damage to the interests of the investors or the market functions. In such a case several factors will be taken into consideration, and the Exchange will form its decision based on an evaluation of all those factors. Thus the fact that there for example is limited liquidity in a security admitted to trading will usually not – and have up until now – never in itself resulted in a deletion. However, limited liquidity may eventually - combined with other factors such as a high percentage of ownership concentration, poor management, an unwillingness by the issuer to comply with the rules of the Exchange or with relevant legislation or other factors - lead to a deletion. However, only if the situation is such that the Exchange finds that the interest of the market in a deletion has to carry greater weight than the interests of those investors, who have invested in the security admitted to trading. Even in such a situation deletion will only be decided if all other alternative ways of remedying the situation have been tried with no result. Forced deletion is a tool that shall only be used in extreme cases, thus situations where a forced deletion has been decided are very rare.

In situations where significant changes are made in a public limited company, including significant changes in ownership, the capital base, the company's activities or the company's management, name, etc. so that, based on an overall evaluation, the Exchange considers that the company is in fact a new company, the Exchange shall decide, whether the shares of the company may continue to be admitted to trading."

The Exchange made an overall assessment of whether the company fulfilled the Listing Requirements for admitting shares to trading in Rules for issuers of shares.

The Exchange had informed the company several times that the Exchange considered the process for the company as a change in identity – and also that the Exchange would make a concrete evaluation to assess whether the company fulfilled the listing requirements – comparable to the examination the Exchange makes for an entirely new company (non-listed) applying for listing on the Exchange.

In the overall assessment the Exchange found that the process of assessing whether the company fulfilled the listing requirements was inappropriate and prolonged (more than a year and a half), that the company was not able to provide the information requested by the Exchange and had provided inadequate statements. In addition, the Exchange put emphasis on the following:

- The company did not have a sufficient operating history and had not provided sufficient information in order for the Exchange and the investors to evaluate the development of the business and to form an informed judgment of the company.
- In the annual report the company's independent auditor had taken reservations in regards to the fact that the financial statements were prepared under the assumption of going concern. Furthermore, it was the assessment of the Exchange that the company did not have sufficient working capital to initiate new activities. Also the Exchange had not been presented with a sufficient detailed plan for how the company would raise additional capital.
- The company did not meet the demands for the company to have an appropriate number of shareholders.
- It was the assessment by the Exchange that the board and the management of the company did not, to a sufficient extent, have sufficient competence and experience to manage a company admitted to trading and to comply with the obligations of such a company.
- The company had not been able to present how the company would ensure the capacity for providing information to the market and in relation to this how the organizational structure of the company would be in the future. Also, the company had not presented the Exchange with an information policy for how the company would handle price sensitive information. Moreover, the company in some cases had not complied with the disclosure requirements in rules for issuers of shares.

Based on the above the Exchange found that the company did not fulfil the Listing Requirements for admitting shares to trading and therefore the company could no longer be admitted to trading at NASDAQ OMX Copenhagen. The deletion from trade of the company would be effective 10 weeks after the publishing of the Exchange's decision, so that the investors had the opportunity to trade the shares knowing that the shares would be deleted from trade.

According to Rules for issuers of shares, paragraph 2.9, cf. Securities Trading Act, section 18 and section 25, the Exchange found that removal of the security from trading would not be of significant detriment to the interests of the investors. Furthermore, the Exchange found that the potential damage occurring in relation to the shares of the company no longer being traded on a market, would be outweighed by maintaining confidence in the orderly functioning of the market, which indicate that securities admitted to trading continue to comply with the admission requirements, in order for the market being conducted in an adequate and appropriate manner.

II. FIRST NORTH

1. REPRIMANDS

1.1 Failure to publish qualified auditors' report

(FastPassCorp A/S)

The exchange found that a company admitted to trading on First North had not published the qualified auditors' report immediately after it had been submitted to the company. The company had furthermore published the company's annual earnings report the day after it had been approved.

According to rule 4.1 (a) in the First North Rulebook a company must as soon as possible publish any decision made, as well as information about the circumstance of the company, which could be assumed to have a significant effect on the course of the company's financial instruments.

It is furthermore evident in rule 4.6 (a) that when the Company's Board of Directors has approved the annual accounts, the company shall immediately publish a report of annual earnings figures containing the most important information from the forthcoming annual report.

In rule 4.7 it is apparent that the company must publish the qualified auditors' report as soon as possible after it has been submitted to the company.

On this background the exchange requested that the company explain why the annual earnings report of the company was published the day after it was approved and why it did not include the qualified auditors' report, which was which was presented in the annual report that was subsequently published.

According to the statement given by the company the report was sent to the company's Service Provider, after completion of the board meeting, to be released the following day to comply with publishing according to the finance calendar.

It was further evident from the statement that the qualified report were evaluated by the management team and by the Certified Adviser as being a testimonial from the auditor's that they were in agreeance with the management's evaluation of the company's state and condition, and thereby they were supporting an audit without reservations.

It is stipulated in rule 4.7 in First North Rulebook, that the company must publish a qualified auditors' report. This entails that an auditors' report which has been modified or is not in a standard format must be published. An auditor's report is considered modified or not in a standard format, if the auditor has provided the report with additional information or if the auditor cannot express an unqualified opinion, if there is an adverse opinion or if a conclusion cannot be expressed.

Although the management has expressed some or all of this uncertainty in the management report, as the auditor has noted in the report an auditors' additional information in the auditors' report must be published as soon as possible.

On this background the exchange reprimanded the company that they had not published the qualified auditors' report via First North as soon as possible after it had been submitted to the company; cf. rule 4.7 in the First North Rulebook.

The exchange further reprimanded that the annual earnings report of the company had not been published directly following the board meeting, where the annual accounts had been approved; cf. the First North Rulebook rule 4.6 (a) and added that a financial report should not await the aforementioned date advertised in the financial calendar.

1.2 Failure to publish qualified auditors' report

(Schrøder Partners – Certified Adviser for FastPassCorp A/S)

The exchange found that a company admitted to trading on First North had not published the qualified auditors' report immediately after it had been submitted to the company.

As evident in rule 4.7 in the First North Rulebook, the company must publish a qualified auditors' report as soon as possible after it has been submitted to the company.

According to rule 5.2 in the First North Rulebook the Certified Adviser of a company must monitor that the company fulfils its disclosure requirements and also advise, support and update the company regarding its obligations on First North.

This means that the Certified Adviser is required to actively be in contact with the company and to stay informed of the activities of the company. The Certified Adviser must therefore actively participate in the process surrounding the company's financial reporting. The exchange thus assumes that for the Certified Adviser to comply with its obligations for example in regards to the company's financial reporting, is in close contact with the company concerning both the content and the timeliness of the communication to the market. This is obviously most important in the situations where certain issues occur, which may be difficult for the company to handle.

The exchange requested the Certified Adviser to explain why the company's annual earnings figures did not include the qualified auditor's report, which was presented in the annual report that was subsequently published.

It appeared from the Certified Adviser's statement that the qualified report were evaluated by the management team and by the Certified Adviser as being a testimonial from the auditor's that they were in agreeance with the management's evaluation of the company's state and condition, and thereby they were supporting an audit without reservations.

It is stipulated in rule 4.7 in the First North Rulebook, that the company must publish a qualified auditors' report. This entails that an auditors' report which has been modified or is not in a standard format must be published. An auditor's report is considered modified or not in a standard format, if the auditor has provided the report with additional information or if the auditor cannot express an unqualified opinion, if there is an adverse opinion or if a conclusion cannot be expressed.

Although the management has expressed some or all of this uncertainty in the management report, as the auditor has noted in the report, an auditors' additional information in the auditors' report must be published as soon as possible. On this background, the exchange reprimanded the Certified Adviser that it in its capacity as Certified Adviser for the company did not ensure that the company published the qualified auditors' report via First North as soon as possible after it had been submitted to the company, cf. rule 5.2 in the First North Rulebook.

III. TRADING RULES

OTHER CASES

1.1 Bond transactions with same legal entity

(Nordea)

In the period from August 2012 to January 2013 a member carried out 18 bond transactions in four ISIN codes with the same legal entity. The transactions were carried out via the members own holdings as both buyer and seller.

On request from the exchange the member has explained that a change in one of their reporting fields made their deposit statements fail and on this background an employee initiated a process, which resulted in the mentioned transactions being executed on the last day of the month in order to obtain more accurate prices for their customers.
According to the member, the transactions were executed in accordance with the price for the best bid, which was in their internal trading system at the given time.

It is apparent in paragraph 4.6.2 in NASDAQ OMX Nordic Member Rules (NMR) that; "*The Member may not place Orders or enter into Trades which, individually or together, are intended to improperly influence the price structure in the Trading System, which are devoid of commercial purpose, or which are intended to delay or prevent access to the Trading System by other Members. The above general rule means, for example, that it is prohibited:*

- *Automatically match/enter into a trade with the intention that the buyer and seller of the instrument shall be the same natural or legal person, which also shall be deemed to include ongoing or frequent negligence by the member to prevent the entering into such trades, regardless whether they are intentional or not;*
- *To place an Order or automatically match/enter into a Trade with the intention of influencing the price of an Instrument in order to alter the value of one's own, or any other party's, holding of any Instrument at any given time, for example prior to the end of the year or end of a month. Further, this shall also be deemed to include ongoing or frequent negligence by the member to prevent the placing of such orders or entering into such trades, regardless whether they are intentional or not.*

On the basis of the above, it is the opinion of the exchange that the member undertook trades, which did not cause alterations to the ownership of the bond, which is in violation with the rules in NMR 4.6.2.

The exchange has reprimanded the member for undertaking trades where the buyer and the seller were the same legal unit and has strongly emphasised that publication of transactions must happen in accordance with the rules of the exchange.

1.2 Transaction with one self

(Lån & Spar Bank)

On the 28th of December 2012 the exchange noticed, that a member had carried out transactions with a volume of one quantity in 11 different investment certificates. The transactions were carried through without underlying customers and thereby had the members own holdings on both the buyer and seller side of the transaction.

On request from the exchange the member explained, that they have established an opening procedure, where an internal trade with one quantity is used to secure the beginning of a position control system. Because of a human error the member had not been aware that the transaction was carried out via NASDAQ OMX and therefore had not requested an annulment of the transactions.

It is apparent in paragraph 4.6.2 in NASDAQ OMX Nordic Member Rules (NMR) that; "*The Member may not place Orders or enter into Trades which, individually or together, are intended to improperly influence the price structure in the Trading System, which are devoid of commercial purpose, or which are intended to delay or prevent access to the Trading System by other Members. The above general rule means, for example, that it is prohibited:*

- *Automatically match/enter into a trade with the intention that the buyer and seller of the instrument shall be the same natural or legal person, which also shall be deemed to include ongoing or frequent negligence by the member to prevent the entering into such trades, regardless whether they are intentional or not;*
- *To place an Order or automatically match/enter into a Trade with the intention of influencing the price of an Instrument in order to alter the value of one's own, or any other party's, holding of any Instrument at any given time, for example prior to the end of the year or end of a month. Further, this shall also be deemed to include ongoing or frequent negligence by the member to prevent the placing of such orders or entering into such trades, regardless whether they are intentional or not.*

On the basis of the above, it is the opinion of the exchange that the member undertook trades where the buyer and the seller were the same legal unit, which is in violation with the rules in NMR 4.6.2.

The exchange has reprimanded the member for undertaking trades where the buyer and the seller were the same legal unit and has strongly emphasised that publication of transactions must happen in accordance with the rules of the exchange.