

Change to the thresholds of Circuit Breakers for penny shares

June 2, 2008 OMX Nordic Exchange implemented circuit breakers (volatility interrupters) to reduce uncertainty during volatile periods.

Since the launch, OMX Nordic Exchange has actively followed the result of the implemented functionality.

OMX Nordic Exchange has now decided to widen the dynamic and static circuit breakers' threshold for penny shares traded at a very low price (at or below 0.50 DKK/SEK/ISK or 0.05 EUR). The change originates from the observation that the current threshold for penny shares has resulted in a few unnecessary triggered circuit breakers, which was not the intention. With the change OMX Nordic Exchange foresees smooth trading also for the penny shares traded at very low prices.

The implementation of the new thresholds is planned to take effect early July, 2008 in conjunction with the normal monthly maintenance of the group of penny shares.

Circuit breakers interrupt matching when the price movement due to one single incoming order is relatively large. The purpose is to give market participants a few minutes to evaluate any new information, reconsider their interests or remove any erroneous orders. Circuit breaker uses two types of reference prices: a static price range and a dynamic price range. When a circuit breaker is triggered, continuous trading is interrupted by a brief call auction.

Circuit breakers are implemented on the following instruments: equities (including First North) and investment funds/ETFs.

Thresholds used for circuit breakers (changes are marked with "New"):

Dynamic circuit breakers

- +/- 3 % for blue chips (OMXC20, OMXH25, OMXS30, OMXI15)
- +/- 5 % for investment funds/ETF and other collective investment funds
- +/- 5 % for other shares and First North + international shares for OMXS
- +/- 10 % for penny shares and illiquid shares
- +/- 25 % for penny shares traded at prices between 0.26-0.50 DKK/SEK/ISK or 0.03-0.05 EUR
(New)
- +/- 50 % for penny shares traded at prices between 0.01-0.25 DKK/SEK/ISK or 0.01-0.02 EUR
(New)

The reference price that is used in dynamic circuit breakers is the last paid price

- The dynamic price range will never be less than 0.05 EUR/SEK/DKK/ISK (5 ticks)
 - o Due to a system limitation this rule is not active for Penny shares. The wider thresholds are instead applied for the penny shares traded at a very low price **(New)**
- Penny shares are defined as shares traded at prices below 5 DKK/SEK/ISK or below 0.50 EUR
- Illiquid shares will be defined as shares that are in Liquidity Group Cⁱ

Static circuit breakers

- +/- 10 % for blue chips (OMXC20, OMXH25, OMXS30) and all investment funds/ETF
 - +/- 15 % for other shares, First North + International shares for OMXS
 - +/- 20 % for penny shares and Illiquid shares
 - +/- 25 % for penny shares traded at prices between 0.26-0.50 DKK/SEK/ISK or 0.03-0.05 EUR
(New)
 - +/- 50 % for penny shares traded at prices between 0.01-0.25 DKK/SEK/ISK or 0.01-0.02 EUR
(New)
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- The reference price that is used in static circuit breakers is the equilibrium price from the previous call auction
 - Static circuit breakers is not implemented in Iceland
 - The static price range will never be less than 0.05 EUR/SEK/DKK (5 ticks)
 - o Due to a system limitation this rule is not active for Penny shares. The wider thresholds are instead applied for the penny shares traded at a very low price **(New)**
 - Penny shares are defined as shares traded at a price below 5 DKK/SEK/ISK or below 0.50 EUR
 - Illiquid shares will be defined as shares that are in Liquidity Group C¹

OMX Nordic Exchanges' trading surveillance reserves all rights to change the thresholds at any time during trading.

For further information concerning this exchange notice, please contact Baldur Thorlacius, telephone +354 525 2851 or Magnus Hardarson, telephone +354 525 2853.

ⁱ A-Group: Days with Trades = 100 %. Average Daily Turnover > 4 MSEK/DKK / €400 000. Closing Spread < 1 %. C-Group: Days with Trades < 50 %. Average Daily Turnover < 200 000 SEK /DKK/ €20 000. Closing Spread > 5 %. B-Group: Stocks that are not part of the A- or the C-group. Liquidity groups are not used on OMX Nordic Exchange Iceland.