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# NORDIC SURVEILLANCE QUARTERLY REPORT

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JULY - SEPTEMBER 2014



*The exchange rules as well as the methodology of the surveillance are in substance harmonized between the Nasdaq exchanges in the Nordic countries. Due to national regulations however, there might be differences. For the reader to be able to distinguish the differences, some of the articles will be marked with flags to highlight this circumstance. "The Exchange" refers to Nasdaq as relevant in each local jurisdiction.*

## Reminder: T+2 settlement from October 6, 2014

The Nasdaq exchanges in Copenhagen, Helsinki, Iceland and Stockholm are implementing two-day standard settlement (T+2) to securities admitted to trading on the respective exchanges and First North markets. The T+2 standard settlement cycle will take effect as of October 6, 2014.

As a result of the transition from current T+3 to T+2 standard settlement, Wednesday October 8, 2014 will be the settlement date for trades executed on both Friday October 3, 2014 and Monday October 6, 2014. Trades executed on the Icelandic fixed-income market on October 3, 2014 will be settled on October 6, 2014 as the market is transitioning from T+1.

In addition to securities, NASDAQ OMX Derivatives Markets is also adopting the T+2 settlement cycle for physical deliveries resulting from expiries of derivatives with equities and Danish fixed income as underlying instrument. The Swedish fixed income derivatives remain in current T+4 settlement on expiry.

The introduction of the T+2 settlement cycle is in line with the new settlement requirements in the EU (Regulation on improving securities settlement in the EU and on central securities depositories (CSDs) and amending Directive 98/26/EC (CSDR)), which aim to harmonize securities settlement cycles within EU. The CSDR settlement requirements determine that trades executed on regulated markets or MTFs in transferable securities shall be settled no later than on the second business day after the trade takes place.

The introduction of the T+2 settlement cycle will be reflected in the relevant rules and regulations of the Nasdaq exchanges (including NASDAQ OMX Member Rules, Buy-in Procedure and Guideline, Reporting Guideline, The Rules and Regulations of NASDAQ OMX Derivatives Markets, NASDAQ OMX Helsinki Rules of the Exchange): these changes have been notified to the market and the updated versions of the relevant documents will be available under NASDAQ OMX Nordic Rules and Regulations section at the Nasdaq website.

All issuers and other initiators of corporate actions are requested to avoid any corporate action events during the period above. Nasdaq also encourages issuers to carefully consider this change when settling and communicating schedules for dividends, coupons and corporate actions.

For further information about the T+2 implementation, please go to:

[HTTP://WWW.NASDAQOMX.COM/DIGITALASSETS/91/91623\\_Q-A-T-2--20140404.PDF](http://www.nasdaqomx.com/digitalassets/91/91623_Q-A-T-2--20140404.PDF)

# STOCKHOLM

## Issuer Surveillance

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Stockholm is available in the Appendix.

### Save the date: Accounting Seminar

Nasdaq Stockholm is pleased to invite you to attend the seminar "Trends in the companies' financial reporting / Trender i bolagens finansiella rapporting" on December 9, 2014. The seminar is an annual event and provides a platform where Nasdaq Stockholm and listed companies meet to discuss topical issues related to financial reporting and the findings at this year's review of financial reporting.

**Date:** Tuesday December 9, 2014,

**Time:** Start: at 9:00 (breakfast from 8:30) / End: at 12:00

**Venue:** NASDAQ OMX Stockholm AB, Tullvaktsvägen 15, Stockholm

Reserve your place by:

[FINRAPPORT@NASDAQ.COM](mailto:FINRAPPORT@NASDAQ.COM)

The seminar is free of charge. Please contact Anna Jansson, telephone +46 8 405 70 22, if you have any questions. We look forward to seeing you at the seminar. A personal invitation will be sent to the Chief Financial Officers of all company's listed on Nasdaq Stockholm.

In the beginning of October 2014 a preliminary observations paper will be issued to all listed companies. The observation paper will also be presented on the webpage:

[HTTP://WWW.NASDAQOMX.COM/LISTING/EUROPE/SURVEILLANCE/STOCKHOLM/DECISIONSFORCOMPANIESFINANCIALREPORTING](http://www.nasdaqomx.com/listing/europe/surveillance/stockholm/decisionsforcompaniesfinancialreporting)

## Trading Surveillance

### Referrals on suspected market abuse

14 cases have been reported to the Swedish FSA during the first quarter, in accordance with the Exchange's obligation to refer matters of suspected market abuse. 11 of these cases concerned suspected illegal insider trading and three cases concerned suspected market manipulation.

### Criticism towards members

Three members on Nasdaq Stockholm were criticized in July. The background was a situation where the members entered large closing orders in a share and the orders caused a large price movement. The Exchange concluded that the price movement could have been limited if a larger volume of the trading would have taken place during the trading day and not concentrated to the closing call.

## Equity cancellations change of procedure

As of Monday, October 6, 2014 the Exchange will change the procedures for communication with trading participants in connection to matters regarding trade cancellations for the equity market.

All communication on trading incidents is currently conducted by telephone. In order to reduce the time spent on investigating and resolving incidents and to be able to quicker confirm the outcome of such incidents to the participants involved, we will adopt procedures where all communication will be handled by e-mail.

This new procedure will apply to all trading incidents in equities and equity related instruments such as ETFs, warrants and certificates. In the case of an occurred incident that may result in trade cancellations, a general notice will be sent to the participants involved. In the case of incidents of a greater magnitude with wide potential implications, e.g. in index equities, the notice might be sent to all trading participants, stating that the Exchange has identified an incident and indicating which trades that are under investigation. A second notice will later be sent to the same recipients as the first and will include the Exchange's decision and final outcome of the investigation. A third notice will be sent to each participant involved in the incident and will include the final outcome of the participant's specific trades.

If a member firm has a request for cancellation an e-mail should be sent to [TS.CANCELLATION@NASDAQ.COM](mailto:TS.CANCELLATION@NASDAQ.COM)

## Save the date: Stockholm Market Surveillance Forum 2015

What is the role of market surveillance in the maintenance of confidence in the market? How do we monitor the market? Meet the Issuer Surveillance at Nasdaq Stockholm that will give you answers to the questions and also will discuss the importance of transparency and clear rules. Issuer Surveillance also shares its observations during 2014 and current practice. Preliminary date for Stockholm Market Surveillance 2015 is January 27.

## HELSINKI

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Helsinki is available in the Appendix.

Three cases of suspected misuse on insider information were handed over to the Finnish FSA.

### Disciplinary Decision – Rautaruukki Corporation

The Disciplinary Committee of Nasdaq Helsinki has imposed a public warning and a fine of EUR 100,000 to Rautaruukki Corporation due to the breach of the Rules of the Stock Exchange. In August and September 2013 the company did not provide the Market Surveillance of the Exchange the necessary information required by the Rules. Furthermore, the company breached the obligation to maintain adequate administrative procedures required by the Rules.

Rautaruukki Corporation disclosed a company announcement on January 22, 2014, stating “SSAB and Rautaruukki to combine through SSAB making a recommended share exchange offer to Rautaruukki’s shareholders”. Rautaruukki had been negotiating to combine the steel businesses with SSAB already since November 2011. Rautaruukki had established a project-specific insider register at that time. After several phases, the negotiations led into the disclosure of the plan in January 2014 to combine the two companies through a public share exchange offer.

There were exceptional patterns in the trading of Rautaruukki’s share in August and September 2013. The price and the trading volumes of the company’s share rose remarkably several times. The Market Surveillance of the Exchange contacted the company multiple times during August and September 2013 and requested for information of possible reasons for the unusual price movements of the company share. All questions regarding if the company had possible ongoing significant projects or undisclosed price sensitive information were denied by the key contact persons.

According to Rule 8.1.1 (as of July 1, 2013, currently Rule 9.1.1), the Exchange is required to provide sufficient and reliable surveillance in the market to avoid and detect any malpractice activities and in order to promote public trust. According to Rule 8.1.2. (as of July 1, 2013, currently Rule 9.1.2), the responsibility of the listed company is to cooperate and provide any information required by the Market Surveillance of the Exchange. A breach to comply may hinder proper market surveillance and affect possible investigations.

The Disciplinary Committee stated that Rautaruukki Corporation, as a listed company, is responsible to cooperate with the Exchange. The administration is not organized in an adequate manner if a person nominated to be a contact person for the Exchange is not aware of the company’s current specific projects. Furthermore, to comply with the requirement of the adequate administration, it is necessary that the role of the Exchange as a supervisor of the trading is clear to the listed company.

In its resolution, the Disciplinary Committee stated that Rautaruukkii Corporation has breached Rule 8.1.2 (as of July 1, 2013) and 2.2.4.3 regarding its obligation to provide information to the Exchange for surveillance purposes as well as the related obligation to maintain adequate administrative procedures. Taking into consideration the size of the transaction and the effects on the surveillance of the market, the breach was considered to be serious. Based on Rule 8.2.3 (currently Rule 9.2.3), the Disciplinary Committee imposed a warning and a fine of EUR 100,000 to Rautaruukki Corporation.

## COPENHAGEN

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Copenhagen is available in the Appendix.

## ICELAND

One fixed income issuer received a non-public reprimand for not publishing specific information concerning the rights of bond owners in due time. Another fixed income issuer received a non-public reprimand for not publishing its annual financial statement within the time limits stipulated in the rules.

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department is available in the Appendix.

## FIRST NORTH

A complete description of disciplinary proceedings and market interventions conducted on First North is available in the Appendix.

### Nordic Surveillance market survey 2014

In order to ensure the quality of Nordic Surveillance operations and to identify potential areas of improvements, a web survey among key stakeholders was performed in late 2013. A follow up of the survey will be performed among key stakeholders in the beginning of December. The Exchange will use the result and the comments to further improve our services towards members and issuers. Your participation and contribution will be much appreciated.

The survey will be distributed by email. If you haven't received a personal invitation to the survey by December 15 you may send a request to participate to:

[NORDICSURVEILLANCE@NASDAQ.COM](mailto:NORDICSURVEILLANCE@NASDAQ.COM)

## APPENDIX

### Reprimands and sanctions towards issuers, members and certified advisers

Issuer/Member/CA	Category	Month	Market	MM or FN	Reason
Issuer	Non-public reprimand	September	Stockholm	First North	The company did not disclose information about a decision from a foreign court that had a potential severe positive impact on the company's assets.
Issuer	Non-public reprimand	September	Stockholm	First North	The company did not co-ordinate disclosure of price sensitive information with business partner. Hence, the company failed to disclose the information in a timely manner.
Issuer	Non-public reprimand	August	Stockholm	Main Market	Price sensitive information about a potential public offer was provided selectively to news media before the company's press release.
Rautaruukki Oyj	Disciplinary Committee Decision	August	Helsinki	Main Market	Described in section 'Helsinki ' above.
3 Members	Non-public reprimand	July	Stockholm	Main Market	The members entered large closing orders in a share and the orders caused a large price movement. The Exchange concluded that the price movement could have been limited if a larger volume of the trading would have taken place during the trading day and not concentrated to the closing call.
Issuer	Non-public reprimand	July	Stockholm	Main Market	The company failed to disclose information regarding a decision from an insurance company, considered to be price sensitive, in a timely manner.
Issuer	Non-public reprimand	July	Stockholm	Main Market	The company failed to disclose information in accordance with rule 3.1.4 (information leaks) in a timely manner.
Issuer	Non-public reprimand	July	Iceland	Main Market	The issuer did not publishing specific information concerning the rights of bond owners in due time
Issuer	Non-public reprimand	July	Iceland	Main Market	The issuer did not publish its annual financial statement within the time limits stipulated in the rules

### Trading halts

Company	Date	Market	MM or FN	Reason
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Fingerprint Cards AB		2014-09-10	Stockholm	Main Market	Halted in preparation for announcement due to risk of leakage.
Investment Kinnevik AB		2014-09-10	Stockholm	Main Market	Halted in preparation for announcement due to risk of leakage.
Phone Family AB		2014-08-27	Stockholm	First North	Halted in preparation for announcement of information.
Nordic Mines AB		2014-07-31	Stockholm	Main Market	Halted in preparation for announcement due to risk of leakage.
Cassandra Oil AB		2014-07-25	Stockholm	First North	Halted in preparation for announcement regarding information in media.
Lundin Mining Corp.		2014-07-14	Stockholm	Main Market	Halted in preparation for announcement regarding information in media.
42 Nykredit funds		2014-09-12	Copenhagen	Main Market	Technical problems
19 Formuepleje funds		2014-09-03	Copenhagen	Main Market	Technical problems
42 Nykredit funds		2014-07-21	Copenhagen	Main Market	Technical problems

## Observation status Nordics

Company	Date	Reason	Market	MM or FN	End date	Reason for removal
Rörvik Timber AB	2014-09-30	Subject to a public takeover offer.	Stockholm	Main Market		
Header Compression Sweden Holding AB	2014-09-22	Subject to a reverse takeover.	Stockholm	First North		
PA Resources AB	2014-09-18	Due to uncertainty about the company's financial situation.	Stockholm	Main Market		
Vacon Oyj	2014-09-12	Subject to a public takeover offer Oy Danfoss Ab.	Helsinki	Main Market		
Auriga Industries	2014-09-08	The company has signed an agreement to sell its wholly owned subsidiary Cheminova A/S to FMC Corporation	Copenhagen	Main Market		
MedCore AB	2014-08-29	Applied for delisting.	Stockholm	First North	2014-09-19	Delisted
Agrokultura AB	2014-08-28	Subject to a mandatory public takeover.	Stockholm	First North		
Veðskuldabréfasjóðurinn Virðing hf.	2014-08-22	Uncertainty concerning the issuer's financial position.	Iceland	Main Market		

Oniva Online Europe AB	Group	2014-07-24	Due to any other circumstance that results in substantial uncertainty regarding the company or the pricing of the listed securities.	Stockholm	First North	2014-09-25	No longer substantial uncertainty regarding the company or the pricing of the listed securities.
Oniva Online Europe AB	Group	2014-07-24	Due to uncertainty about the company's financial situation.				
ACAP Invest AB		2014-07-11	Subject to a public takeover offer.	Stockholm	Main Market		
Østjydsk Bank		2014-07-04	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		
Netbooster		2014-06-13	Subject to a public takeover offer.	Copenhagen	First North		
Connecta AB		2014-06-09	Subject to a public takeover offer.	Stockholm	Main Market	2014-08-22	Delisted
ChronTech Pharma AB		2014-05-30	Due to uncertainty about the company's financial situation.	Stockholm	First North		
Availo AB		2014-05-13	Subject to a public takeover offer.	Stockholm	Main Market	2014-07-04	Delisted
Fenix Outdoor AB		2014-05-12	Subject to a public takeover offer.	Stockholm	Main Market	2014-07-04	Delisted due to change of domicile. New company Fenix Outdoor International A.G. listed.
Readsoft AB		2014-05-06	Subject to a public takeover offer.	Stockholm	Main Market		
Topotarget		2014-04-16	Subject to a public takeover offer.	Copenhagen	Main Market	2014-07-31	Delisted
Oral Oyj	Hammaslääkärit	2014-04-14	Subject to a public takeover offer by Renideo Holding Oy.	Helsinki	Main Market		
Reitir II ehf.		2014-04-11	Uncertainty concerning covenants in loan agreements of the issuer	Iceland	Main Market		
Nunaminerals		2014-04-01	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		
Shelton Petroleum AB		2014-03-21	Subject to a public takeover offer.	Stockholm	Main Market	2014-08-13	Public takeover offer was announced to not be completed.
TORM		2014-03-10	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		



Viborg Håndbold Klub	2014-02-28	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		
Alm. Brand Formue	2014-02-21	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market	2014-09-04	Delisted
Cision AB	2014-02-14	Subject to a public takeover offer.	Stockholm	Main Market	2014-08-22	Delisted
Pohjola Oyj	2014-02-06	Subject to a voluntary public tender offer by OP-Pohjola Group Central Cooperative .	Helsinki	Main Market		
Misen Energy AB	2014-01-24	Due to uncertainty about the company's situation.	Stockholm	First North	2014-09-17	No longer uncertainty about the company's financial situation.
Rautaruukki Oyj	2014-01-22	Subject to a public takeover offer by SSAB.	Helsinki	Main Market		
Petrogrand AB	2014-01-22	Subject to a public takeover offer.	Stockholm	First North	2014-08-13	Public offer was announced closed.
Takoma Oyj	2013-12-09	Uncertainty concerning the company's financial situation.	Helsinki	Main Market		
Online Brands AB	2013-11-18	Due to uncertainty about the company's financial situation.	Stockholm	First North		
Talvivaara Oyj	2013-11-15	Uncertainty concerning the company's financial situation.	Helsinki	Main Market		
Danske Andelskassers Bank A/S	2013-11-11	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		
Aalborg Boldspilklub A/S	2013-10-15	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market	2014-08-22	The company has completed a rights issue
Dannemora Mineral AB	2013-08-28	Due to uncertainty about the company's financial situation.	Stockholm	First North		
Etteplan Oyj	2013-08-19	Subject to a public takeover offer by Ingman Group Oyj.	Helsinki	Main Market	2014-08-14	The public takeover offer ended.
Nordicom A/S	2013-08-14	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		

Nordic Mines AB	2013-07-08	Due to uncertainty about the company's financial situation as the company has filed for corporate reorganization for all non-dormant companies within the group.	Stockholm	Main Market	2014-09-23	No longer uncertainty about the company's financial situation.
Blue Vision A/S	2013-03-27	Due to uncertainty about the company's financial situation. The company has lost more than half of the share capital.	Copenhagen	Main Market		
Vestjysk Bank A/S	2013-03-01	Due to uncertainty about the company's financial situation.	Copenhagen	Main Market		
Luxonen S.A	2013-02-21	Proposal to liquidate the company. Moved from Main Market to First North per 2013-07-05.	Stockholm	First North		
ForestLight Entertainment AB	2013-02-18	Due to uncertainty about the company's financial situation.	Stockholm	First North		
Victoria Properties	2013-01-11	The company plans to make an extensive change in its business.	Copenhagen	Main Market		
Fljótsdalshérað	2012-03-26	Uncertainty concerning the issuer's financial position.	Iceland	Main Market		
Aqualife	2011-03-28	Due to uncertainty about the company's financial situation.	Copenhagen	First North		
KIF Håndbold Elite	2011-02-24	The company has lost more than half of the share capital.	Copenhagen	First North		
HS Orka hf.	2010-09-02	Uncertainty concerning financial restructuring.	Iceland	Main Market		
Jeratún ehf.	2010-09-02	Uncertainty concerning the issuer's financial position.	Iceland	Main Market		
Reykjanesbær	2010-09-01	Uncertainty concerning the issuer's financial position.	Iceland	Main Market		
Reykjaneshöfn	2010-05-04	Uncertainty concerning the issuer's financial position.	Iceland	Main Market		

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