

ETF Rules – Listing Rules and Continuing Obligations for Exchange Traded Funds

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1. General

1.1 Introduction

(1) These ETF Rules were issued by Oslo Børs ASA on 12 June 2008 and subsequently amended with effect from February 8, 2011. The rules are issued in accordance with Section 24, first paragraph, of the Stock Exchange Act¹ and Section 1, third paragraph, of the Stock Exchange Regulations.

(2) These ETF Rules provide detailed provisions and clarifications in respect of the provisions of the Stock Exchange Act, the Securities Trading Act², the Stock Exchange Regulations³ and the Securities Trading Regulations⁴, as well as the Trading and Member Rules as in force at any time. In the event of any conflict between the ETF Rules and legislation or regulations, the legislation or regulations in question shall prevail.

1.2 Exchange traded funds

(1) Units in an exchange traded fund listed on Oslo Børs are financial instruments, cf. Securities Trading Act, Section 2-2, first paragraph, No. 2.

(2) An exchange traded fund may be either an index fund or an actively managed fund. An index fund⁵ shall passively track a specified index or basket of financial instruments. In the event of any uncertainty over whether a fund shall be classified as an index fund or an actively managed fund, Oslo Børs shall decide which classification to apply.

1.3 The exchange traded fund and the fund management company

(1) The exchange traded fund and the fund management company that manages the fund shall be subject to the provisions of the Securities Funds Act⁶ and shall be supervised by Kredittilsynet (the Financial Supervisory Authority of Norway) when required by the Act.

(2) A foreign exchange traded fund and fund management company must have equivalent authorisation in their home state, and must be subject to satisfactory supervision by the relevant authorities.

1.4 Scope

(1) These ETF Rules apply to exchange traded funds that are listed on Oslo Børs, or for which admission to listing is sought. The continuing obligations set out in section 3 apply to exchange traded funds listed on Oslo Børs.⁷

(2) These ETF Rules apply to both index funds and actively managed funds unless otherwise stated.

¹ Act of 29 June 2007 No. 74.

² Act of 29 June 2007 No. 75.

³ Regulation of 29 June 2007 No. 875.

⁴ Regulation of 29 June 2007 No. 876.

⁵ Act of 12 June 1981 No. 52, Section 4-8a

⁶ Act of 12 June 1981 No. 52.

⁷ The continuing obligations set out at sections 3.1.1, 3.1.2, and 3.1.3 apply from the time the application for admission to listing is submitted, cf. Section 2.5.2.

2. Listing rules

2.1 General conditions

Exchange traded funds may only be admitted to stock exchange listing if they are assumed to be of public interest and are likely to be subject to regular trading, and if Oslo Børs deems them to be suitable for listing.⁸

2.2 Requirements applicable to exchange traded funds and the fund units

2.2.1 Requirements for the financial instruments in which the fund invests

The fund must either be an UCITS fund or similar or be a fund that exclusively invests in financial instruments that are listed on Oslo Børs or on some other recognized exchange or regulated marketplace. Index funds must track an index or basket made up of financial instruments that satisfy these requirements.

2.2.2 Registration with a Central Securities Depository

The fund units must be registered with a Central Securities Depository authorised pursuant to Section 3-1 of the Securities Register Act. Fund units may be registered with some other Central Securities Depository subject to demonstrating that investors and member firms will be able to carry out clearing and settlement.

2.2.3 Currency

Units in an exchange traded fund must be listed in Norwegian kroner (NOK). Oslo Børs may approve listing in some other currency.

2.2.4 Requirements for market making arrangements

(1) Exchange traded funds for which admission to stock exchange listing is sought must have one or more liquidity providers (market makers) that quote binding bid and offer prices for units in the fund. The market making agreements entered into with market makers must be submitted to Oslo Børs.

(2) If it becomes apparent over time that the fund units are subject to regular trading with satisfactory liquidity, Oslo Børs may upon application grant an exemption from the requirement for market making.

2.2.5 Licence agreement with Oslo Børs

If, as part of marketing, the exchange traded fund and the fund management company make use of indices with names for which Oslo Børs holds the licence rights, a licence agreement with Oslo Børs must be entered into.

2.3 Prospectus

2.3.1 Requirements for preparation of a prospectus and inspection

(1) A prospectus must be prepared and made public prior to admission to stock exchange listing, cf. sections 2.3.2, 2.3.3, 2.3.4 and 2.3.5.

(2) The prospectus must be submitted to Oslo Børs for inspection.

2.3.2 Requirements for the prospectus

(1) The prospectus must be prepared in accordance with Section 7-2 of the Securities Funds Act, cf. Regulation on prospectuses for securities funds.⁹

⁸ Cf. Stock Exchange Act, Section 34, first paragraph.

⁹ Regulation of 28 July 1994 No. 750.

(2) The prospectus must contain a comprehensive description of the product. Information must be provided on all matters necessary to carry out a well founded evaluation of the fund and to make any investment decision. The prospectus must not include misleading or incomplete information on any matter to which weight should be given when deciding whether to acquire or dispose of units in the fund.

(3) The prospectus shall in addition include the following information:

1. The ISIN number of the fund units.
2. Information on which index or basket the fund tracks.
3. An overview of the financial instruments that are included in the fund at the time of admission to listing, including information on where the underlying financial instruments are listed.
4. An explanation of how statements of the number of fund units issued and information on the Net Asset Value ("NAV") per fund unit/unit value pursuant to section 3.2 will be published.
5. A description of any arrangements in respect of stock lending of shares included in the fund.
6. An account of market making commitments, including the name(s) of the market maker(s) and an account of the content and duration of the market making agreement.
7. Further information on the fund's policy in respect of unit holders and dividends.
8. The most recent annual report and interim report of the fund.
9. A description of the commercial relationship between the fund and the fund management company, with an account of agreements entered into etc.
10. Information on any licence agreements that the fund management company has entered into with Oslo Børs or companies in the same group.
11. An account of the necessary authorisations and approvals.
12. Information on any other exchanges on which the fund is listed or to which it has applied for listing, and the manner in which any such listing will take place.
13. A description of the costs borne by the fund's unit holders.
14. Legal jurisdiction and venue.

(4) Oslo Børs reserves the right to require that further information is included in the prospectus if it considers this necessary in view of the interests of investors or for the purpose of evaluating whether the fund is suitable for stock exchange listing.

2.3.3 Declaration by the board of directors

The board of directors of the fund management company must issue a declaration pursuant to Section 4 of the Regulation on prospectuses for securities funds.

2.3.4 Publication of the prospectus

The prospectus must be made available at the offices of the fund management company no later than the time at which fund units are offered to the general public or the fund is admitted to listing.

2.3.5 Duty to provide information in connection with marketing

All marketing that represents an offer to purchase funds in an exchange traded fund must state that a prospectus is available and provide information on how the prospectus can be obtained.

2.4 Additional requirements and exemptions

Oslo Børs reserves the right to impose additional requirements on the exchange traded fund and the fund management company that makes the application for admission to

listing if it considers this necessary for the protection of potential investors. Oslo Børs may in special circumstances grant exemptions from the requirements in section 2.3.

2.5 Application for stock exchange listing

2.5.1 Contents of the application

(1) The application for a fund to be admitted to listing must be submitted to Oslo Børs.

(2) The application for a fund to be admitted to stock exchange listing must include:

1. A description of the fund, the fund management company and of factors that may be of significance for whether the fund should be admitted to stock exchange listing, including information on the number of units in the fund and the number of unit holders, and how the fund and the fund management company intend to satisfy the requirements set out in section 3;
2. A prospectus, or draft prospectus, together with appendices;
3. Copies of all necessary authorisations and licences;
4. The most recent annual report and interim report for the fund management company.
5. The fund's articles of association;
6. The fund management company's contact person vis-à-vis Oslo Børs;
7. The International Securities Identification Number (ISIN) to be used for the fund units by the Central Securities Depository as mentioned in section 2.2.2, and the identity of the account operator;
8. A certified copy of the minutes of the board meeting at which the resolution to apply for stock exchange listing was passed.

(3) A resolution to apply for admission to stock exchange listing shall have been passed by the board of directors of the fund management company, and the application must be signed by the board of directors or by a party duly authorised by the board of directors. If the application is signed pursuant to a power of attorney, a copy of the signed power of attorney must be attached.

(4) Oslo Børs shall decide in what way the information is to be given.

(5) Oslo Børs may grant exemptions from one or more of the provisions on the information to be provided in the application for admission to stock exchange listing if Oslo Børs deems such information to be of no significance for the assessment of the application.

2.5.2 Duty of disclosure from the time the application for listing is submitted

The rules on the duty of disclosure in Continuing obligations of stock exchange listed companies at section 3.1.1, section 3.1.2 and section 3.1.3, shall apply to the fund and the fund management company from the time the application for stock exchange listing is submitted.¹⁰ The fund management company will be allocated a ticker code and be given access to the exchange's news service (Oslo Børs News Service) from the time the application is submitted.

2.5.3 Processing the application

(1) Decisions on admitting funds to stock exchange listing are made by Oslo Børs.

(2) Applications for admission to stock exchange listing shall be decided without undue delay, and in any case within six months.¹¹

(3) Chapters III, IV, V, VI and VIII of the Public Administration Act, with the exception of

¹⁰ See Securities Trading Act, Section 5-1.

¹¹ Stock Exchange Regulations, Section 15.

Section 13, shall apply to rulings made by Oslo Børs in respect of admitting a fund to stock exchange listing.¹²

2.5.4 Duty of the fund management company to provide information

Oslo Børs reserves the right to demand that the fund management company, the company's officers and the company's employees provide Oslo Børs with information pursuant to section 3.3, first paragraph.

2.5.5 Notification and publication of the decision

The applicant shall be notified of the decision in writing. If the application is refused, the reason for refusal shall be stated in the notification. Moreover, the notification shall provide information on the right to appeal to the Stock Exchange Appeals Committee, the time limit for making an appeal and the procedure for appeal. Oslo Børs shall publish its decision unless special circumstances indicate that the decision should not be published.

2.5.6 Appeals to the Stock Exchange Appeals Committee

Such decisions made by Oslo Børs as are mentioned in section 2.5.3 can be appealed to the Stock Exchange Appeals Committee in accordance with the provisions of Chapter 8 of the Stock Exchange Regulations.

2.6 Admission to listing

(1) An exchange traded fund may be admitted to listing when Oslo Børs has approved the application for admission to stock exchange listing and any conditions it may have imposed have been satisfied.

(2) In addition to the information required for the application for admission to listing, the following documentation must be received by Oslo Børs no later than 14.00 hours on the trading day immediately prior to the first day of listing:

1. The International Securities Identification Number (ISIN) to be used for the fund by the Central Securities Depository if this is not provided in the application;
2. The approved prospectus in pdf format; and
3. Confirmation that any other terms and conditions for listing have been satisfied, together with any documentation relating to particular matters required by Oslo Børs.

(3) Oslo Børs may grant exemptions from the deadline in the second paragraph.

3. Continuing Obligations

3.1 General conditions

The following provisions of the Continuing obligations of stock exchange listed companies shall apply to exchange traded funds listed on Oslo Børs to the extent they are applicable;

- Chapter 2 with the exception of Sections 2.3, 2.4 and 2.6,
- Chapter 3 with the exception of Sections 3.2, 3.3, 3.4, 3.5 and 3.6,
- Section 4.5,
- Chapter 5 with the exception of Section 5.3 (language), and
- Chapter 14 to and including Chapter 18.

¹² Cf. Stock Exchange Act, Section 40, first sentence.

3.2 Information on the number of fund units issued and NAV/unit value

3.2.1 Index fund

(1) The number of fund units issued and information on the NAV per fund unit must be publicly disclosed at least daily. Oslo Børs may consent to the public disclosure of the fund unit value based on some form of calculation other than NAV subject to the alternative calculation complying with the requirement to provide the most accurate picture possible of the value of units in the fund.

(2) If the fund management company is not able to calculate NAV/unit value, this must immediately be publicly disclosed.

(3) Public disclosure of NAV/unit value may be carried out in accordance with Chapter 5 of the Continuing obligations of stock exchange listed companies, including disclosure on the website of the fund or the fund management company, or in such other manner as may be agreed by Oslo Børs.

3.2.2 Actively managed fund

(1) The number of fund units issued and information on the NAV per fund unit must be publicly disclosed at least three times each day. Section 3.2.1 (1), second sentence, shall apply similarly.

(2) Public disclosure shall take place during the exchange's trading hours in accordance with arrangements agreed with Oslo Børs. In addition, any significant change in NAV/unit value must immediately be publicly disclosed.

(3) Oslo Børs may in special circumstances grant exemptions from the requirement for public disclosure, including exemption from the requirements for the number of disclosures each day and the time at which disclosures are to be made. The fund management company shall be entitled to consider itself exempted from the provisions of (1) and (2) without gaining prior consent from Oslo Børs if waiting for such consent would cause significant disadvantage or loss for the fund management company. If such a situation occurs, the fund management company shall provide a report on the circumstances to Oslo Børs no later than the next trading day.

(4) Section 3.2.1 (2) and (3) shall apply similarly.

3.3 Changes to the terms and conditions for trading in fund units

(1) Any changes to the terms and conditions for trading in fund units, including any change to market making arrangements, must be made public, and the information must also be provided to Oslo Børs.

3.4 Information in respect of the fund

The fund management company must immediately publicly disclose:

1. A decision to suspend redemptions;
2. Information on distributions by the fund to unit holders of dividends or realised gains, including the date of the first trading day excluding the right to such dividends or realised gains;
3. Changes to the fund's investment strategy;
4. Changes to the prospectus; and
5. Annual reports and interim reports pursuant to Section 7-1 of the Securities Funds Act¹³.

¹³ Act of 12 June 1981 No. 52.

3.5 Information in respect of the fund management company

The fund management company must immediately publicly disclose:

1. Notices of meetings of unit holders and resolutions passed by such meetings;
2. Changes to the composition of the fund management company's board of directors; and
3. Changes to the investment manager(s) responsible for the fund.

3.6 Information to be provided to Oslo Børs

(1) Oslo Børs reserves the right to demand that the fund management company, the company's officers and the company's employees, must, without any restriction caused by a duty of confidentiality, provide Oslo Børs with all the information that might be necessary for Oslo Børs to carry out its legal duties.¹⁴

(2) Any demand by Oslo Børs shall be made in writing and the reason for the demand shall be stated. In special circumstances, Oslo Børs may make a demand orally. An oral demand shall be confirmed in writing as soon as possible.

4. Fees

(1) Exchange traded funds listed on Oslo Børs shall pay fees in accordance with the general business terms and conditions of Oslo Børs.

(2) The fees will be shown on a separate price list issued by Oslo Børs. Oslo Børs reserves the right to make changes to the price list.

5. Coming into force and changes

(1) These rules shall come into force with immediate effect.

(2) Changes to these rules will be binding on fund management companies, funds and Oslo Børs once the changes have been notified and made public, normally with at least one month's notice. Oslo Børs shall consult fund management companies and other interested parties before changes are determined save where such consultation is clearly unnecessary or is not practical. The procedure for making changes to these rules may be waived where the changes are the result of legislation, regulation, legal ruling, administrative decision or in other special cases.

¹⁴ Stock Exchange Act, Section 24, seventh paragraph.