

## CORPORATE ACTIONS PROCEDURES

### 1. General provisions

- 1.1 These procedures constitute Oslo Clearing Procedures for Corporate Events (the “Procedures”) as referred to in Appendix 7 (Settlement of Clearing Transactions in VPO) to the General Terms. In case of inconsistency between Appendix 7 and these Procedures, Appendix 7 shall apply.
- 1.2 Entitlements upon a Corporate Action are allocated on the basis of the positions booked in VPS at the end of the Record Date. Mandatory Corporate Action with options or a Voluntary Corporate Action (“Elective Corporate Actions”) must be instructed within the Market Deadline, and, if required, allocation is subject to that applicable positions are booked in VPS at the end of the Deposit Date. The dates and deadlines mentioned in the previous sentence are jointly referred to as “Deadlines”.
- 1.3 The procedures specifies general principles for the treatment of Corporate Actions such as:

Category	Examples
Mandatory Corporate Actions	including distributions such as e.g. cash distributions, stock dividends and right issues or reorganisations such as e.g. splits/ reverse splits and mergers.
Mandatory Corporate Actions with options	including distributions or reorganisations with options such as e.g. bonus issue in lieu of dividends and conversions.
Voluntary Corporate Actions	including e.g. tender offers and right subscriptions.

- 1.4 In the following a Clearing Transaction and the corresponding VPO Settlement Transaction that fails to settle within the relevant deadline shall jointly be referred to as “Applicable Transactions” and individually and respectively as “Applicable Clearing Transactions” and “Applicable Settlement Transactions”. Clearing Transactions and applicable settlement instructions for Financial Instruments that are not Equity Market Instruments created due to a Corporate Action in an Applicable Transaction, including subscription rights, shall be referred to as “Entitlement Transactions”.
- 1.5 Financial Instruments that are not Equity Market Instruments will only be cleared by Oslo Clearing to the extent they are part of an Entitlement Transaction.
- 1.6 Corporate Actions in Deferred Settlement shall be handled in accordance with these Procedures to the extent settlement of the Applicable Transaction or the Entitlement Transaction has not been made within the relevant Deadline.

1.7 The Procedures may be amended by giving the Clearing Members 14 days' written notice, or if substantive reasons requires it, with a shorter notice period, however, so that the reason for the shorter notice period shall be stated.

## **2 Oslo Clearing's processing of Corporate Actions**

2.1 Upon uncertainty as to the treatment of a Corporate Action, Oslo Clearing may at its own discretion, and to the extent possible, after having consulted the affected Clearing Members, decide and instruct the Clearing Members as to the treatment of the Corporate Actions.

2.2 Oslo Clearing shall be under no obligation to give effect to any instruction made by or on behalf of a Clearing Member or do any act required to obtain any entitlement due to a Corporate Action other than those explicitly set out by these Procedures or otherwise instructed by Oslo Clearing in relation with specific Corporate Actions.

2.3 Oslo Clearing will claim any outturn of a distribution on a gross basis (without deduction for any withholding tax) and distribute any outturn on a gross basis, however with the deduction of any withholding tax, if applicable.

2.4 Oslo Clearing may decide to settle fractions via separate cash settlement transactions. The basis for calculation of cash settlement, if any, shall be the decimal fraction of the underlying instrument multiplied with:

2.4.1 the reference price published by the issuer in the situation where the issuer compensates fractions or;

2.4.2 a price determined by Oslo Clearing in accordance with a reasonable evaluation of the market value of the underlying instrument, or;

2.4.3 the trade price of the Applicable Transaction adjusted for the applicable Corporate Action.

2.5 Oslo Clearing will not instruct or settle individual cash amounts in accordance with these Procedures amounting to less than NOK 100.

2.6 Oslo Clearing will calculate and apply the Procedures on the basis of Net Clearing Transactions. Liability Notices issued due to an Elective Corporate Action may, however, cover parts of a Net Clearing Transaction. If this is the case then Oslo Clearing may split the Net Clearing Transaction in the Clearing System and cancel and reinstruct a new separate VPO Settlement Transaction for the remaining part of the Net Clearing Transaction which is not affected by the Liability Notice in question. The Clearing Member (or its Settlement Agent) shall immediately match the corresponding VPO Settlement Transaction.

2.7 Oslo Clearing shall have no liability for and will not process any claims regarding allotments based on oversubscription in connection with any type of Corporate Action.

2.8 Upon Failed Delivery of any Clearing Transaction created in accordance with these Procedures the rules specified in Appendix 7 shall apply.

2.9 Corporate Actions may be processed by Oslo Clearing in accordance with these Procedures although the issuance of the relevant Corporate Action entitlements at Record Date is pending the ratification by the appropriate corporate body. If so a Clearing Transaction representing the potential right and obligation will be registered on the Clearing Members' Clearing

Accounts. If the appropriate corporate body decides not to ratify the Corporate Action in question, the Clearing Transaction will be cancelled. If the appropriate corporate body ratifies the Corporate Action a new Clearing Transaction will be registered in the Clearing Members' Clearing Accounts reflecting the decision of the appropriate corporate body and these Procedures.

### **3 Clearing Member's obligations**

- 3.1 The Clearing Member (including those represented by a Settlement Agent), is solely responsible for the issuance of any notification, instruction, satisfaction and reconciliation of any outturn of a Corporate Action processed in accordance with the Clearing Rules including these Procedures. Oslo Clearing will not solicit responses from Clearing Members and will only act upon an instruction received from a Clearing Member (or its Settlement Agent) given in accordance with these Procedures.
- 3.2 Clearing Members are obliged to comply with and act in accordance with any instructions issued by Oslo Clearing under these Procedures.
- 3.3 Oslo Clearing may instruct, and may accept instructions from a Clearing Member's Settlement Agent. Oslo Clearing may rely on any correspondence and instructions provided by a Clearing Member's Settlement Agent as if such correspondence or instruction was provided by the Clearing Member itself.
- 3.4 As a consequence of a Failed Delivery of an Applicable Transaction Oslo Clearing may amend, transform or create Clearing Transactions to reflect the defaulting Clearing Member's obligations in accordance with these Procedures.

### **4 Liability Notices**

- 4.1 A receiving Clearing Member that has not received delivery of underlying instruments in respect of Applicable Transactions or Entitlement Transactions subject to Elective Corporate Actions may submit a Liability Request Notice to Oslo Clearing. The Liability Request Notice shall be submitted to Oslo Clearing in the form attached as Appendix 1 to these Procedures (the "Liability Request Notice").
- 4.2 The Liability Request Notice shall be received by Oslo Clearing within the applicable Liability Request Deadline and contain such information as is necessary in the individual case specifying the request of the Clearing Member in respect of the applicable Corporate Action, including the reference to the Applicable Transaction or Entitlement Transaction, the exact quantity of shares they have tendered or subscribed for.
- 4.3 If a claim is not made within the Liability Request Deadline and in the form set out in Section 4.1 the Clearing Member shall be deemed to have forfeited such claims in its entirety.
- 4.4 Oslo Clearing shall allocate liability in accordance with the allocation algorithm and issue a liability allocation notice (the "Liability Allocation Notice") to the defaulting Clearing Members within CET 16:00 on the Clearing Day on which the Liability Request Deadline occurs for the applicable Corporate Action (the "Liability Allocation Deadline"). For Voluntary Corporate Actions, this applies to the extent the Applicable Transactions or Entitlement Transactions are not settled within the Deposit Date. Thus, the receiving Clearing Member is fully responsible and must itself instruct the applicable Institution on the pending

Applicable Transaction or Entitlement Transaction, to ensure to receive the Corporate Event entitlements.

- 4.5 The allocation algorithm shall calculate and allocate the aggregate liability on the basis of the Liability Request Notices received in accordance with the above to the defaulting Clearing Members holding the oldest delivery obligations due to Applicable Transactions or Entitlement Transactions which in aggregate offsets the claims made in the Liability Request Notices.
- 4.6 To the extent Oslo Clearing for some substantive reason cannot meet a deadline to submit a Liability Allocation Notice to a defaulting Clearing Member, Oslo Clearing shall forthwith notify the Clearing Members collectively that the notice period will be prolonged and state the reason for the prolongation.
- 4.7 The Liability Request Notice and the Liability Allocation Notice is jointly referred to as “Liability Notices”.
- 4.8 Oslo Clearing may, but is not obliged to require that the Clearing Member documents the claims made in a Liability Request Notice.

## **5 Treatment of specific Corporate Actions in VPO**

- 5.1 VPS may for specific types of Corporate Actions allow for corrections within a correction period which is normally three days following the Record Date for a Corporate Action.
- 5.2 Oslo Clearing will attempt on a best effort basis to make use of the correction functionality if available for the specific Corporate Action. To the extent this is unsuccessful Oslo Clearing will handle the Corporate Action in accordance with these Procedures.

## **6 Margin**

- 6.1 Oslo Clearing will adjust Clearing Transactions for margin calculation purposes and calculate initial and variation margin on the outturn of a Corporate Action as of Ex Date, and otherwise in accordance with Appendix 6.

## **7 Mandatory Corporate Actions**

### **7.1 General**

- 7.1.1 A Mandatory Corporate Action is an event initiated by the issuer of a Financial Instrument that affects all holders of the Financial Instrument (“Mandatory Corporate Actions”). Participation is mandatory although some events may give holders an option to determine the outturn.

- 7.1.2 A Mandatory Corporate Action may be divided in the following sub categories:

- (i) Distributions
- (ii) Reorganisations
- (iii) Mandatory Corporate Actions with options

### **7.2 Distributions**

- 7.2.1 Distributions are events such as cash dividends, stock dividends, bonus issues, right issues, demergers/spin offs etc (“Distributions”). In all cases the distribution will result in an allocation of cash and/or Financial Instruments to the holders registered in VPS at the end of Record Date. If a Distribution consists of a non transferable preferential right or similar (“Preferential Rights”) the procedure set out in Section 9 below shall be applied.
- 7.2.2 Oslo Clearing will process Applicable Transactions subject to distributions in accordance with the transaction management procedure set out below:
1. The Applicable Transactions will be maintained until settled in accordance with Appendix 7 (exclusive of the Corporate Event entitlements).
  2. A market claim consisting of the applicable Corporate Action entitlements will be established through the creation of a separate Clearing Transaction registered on the respective Clearing Member’s Clearing Accounts at the end of the Record Date.
  3. Oslo Clearing shall, for each Clearing Transaction:
    - 3.1. register a corresponding VPO Settlement Transaction for the settlement of Financial Instruments eligible for settlement in VPO and/or;
    - 3.2. issue a corresponding settlement instruction for the settlement of any instrument which is not eligible for settlement in VPO, including settlement of cash only.
  4. Clearing Transactions registered due to a Preferential Right shall not be settled as set out in Paragraph 3.1 and 3.2, but shall be processed in accordance with Section 9.
  5. The Clearing Member (or its Settlement Agent) shall immediately match the VPO Settlement Transaction specified in Paragraph 3.1 in VPO.
  6. Settlement instructions as specified in Paragraph 3.1 or 3.2 above shall be registered with trade date equal the date which the instruction is registered in the settlement system (normally the first Clearing Day following the Record Date) and settlement date equal to the Payment Date for the relevant Corporate Action or equal to the earliest possible settlement date if such transaction is created on or after Payment Date for the applicable Corporate Action.
  7. Oslo Clearing may decide to settle fractions as specified in Section 2.4.

### 7.3 Reorganisations

- 7.3.1 Reorganisations are events such as splits, reverse splits, mergers etc (“Reorganisations”). In all cases the Reorganisation will result in a transformation of the underlying instrument. The Reorganisation will transform the underlying instruments of the holders registered in the CSD (VPS) at the end of Record Date.
- 7.3.2 Oslo Clearing will process Applicable Transactions subject to Reorganisation in accordance with the transaction management procedures set out below:
1. Applicable Settlement Transactions are automatically cancelled at the end of Record Date by the settlement system (VPO) or by Oslo Clearing if the VPO Settlement Transaction is not automatically cancelled.
  2. Oslo Clearing will, upon cancellation of Applicable Settlement Transactions, cancel the corresponding Applicable Clearing Transactions and create new Clearing Transactions transformed in accordance with the applicable Corporate Action at the end of Record Date.
  3. Oslo Clearing shall, for each Clearing Transaction created in the Clearing System:
    - 3.1. register a corresponding VPO Settlement Transaction for the settlement of any Financial Instrument eligible for settlement in VPO and/ or;

- 3.2. issue a corresponding settlement instruction for the settlement of any instrument which is not eligible for settlement in VPO, including settlement of cash only.
4. The Clearing Member (or its Settlement Agent) shall immediately match the VPO Settlement Transaction specified in Paragraph 3.1 in VPO.
5. Settlement transactions as specified in Paragraph 3.1 or 3.2 above shall be registered with trade date equal to the date which the settlement instruction is registered in the settlement system (normally the first Clearing Day following the Record Date) and with settlement date equal to the earliest possible settlement date for the applicable Corporate Action in the relevant settlement system.
6. Oslo Clearing may decide to settle fractions as specified in Section 2.4.

#### 7.4 Mandatory Corporate Actions with options

- 7.4.1 Mandatory Corporate Actions with options are events such as distributions or reorganisations with the option to substitute the allocated entitlements e.g. cash dividends with Financial Instruments (bonus issue in lieu of dividends).
- 7.4.2 The Liability Request Deadline for Mandatory Corporate Actions with options is (unless otherwise specified by Oslo Clearing) 09:00 (CET) on the Market Deadline + 1 Clearing Day.
- 7.4.3 Oslo Clearing will process Applicable Transactions subject to Mandatory Corporate Actions with options in accordance with the transaction management procedure set out below:
  1. The Applicable Transactions will be maintained until settled in accordance with Appendix 7.
  2. A separate Clearing Transaction, covering the default option of the Corporate Action, will be registered on the Clearing Members' Clearing Accounts in the Clearing System at the end of Record Date.
  3. A receiving Clearing Member wishing to elect the non-default option must issue a Liability Request Notice to Oslo Clearing within the Liability Request Deadline. In the absence of such notification, the Clearing Member will be deemed to have chosen the default option.
  4. The Liability Request Notice shall be issued in accordance with Section 4.
  5. Oslo Clearing shall allocate liability on the basis of the Liability Request Notices received to the defaulting Clearing Members in accordance with Section 4.
  6. The Clearing Transactions registered in accordance with Paragraph 2 above subject to Liability Notices electing the non default option will be cancelled and replaced by Clearing Transactions covering the election by the Clearing Members at the end of the Clearing Day on the Liability Request Deadline.
  7. Oslo Clearing shall, for each Clearing Transaction created in the Clearing System:
    - 7.1. register a corresponding VPO Settlement Transaction for the settlement of any Financial Instrument eligible for settlement in VPO and/ or;
    - 7.2. issue a corresponding settlement instruction for the settlement of any instrument which is not eligible for settlement in VPO, including settlement of cash only.
  8. The Clearing Member (or its Settlement Agent) shall immediately match the VPO Settlement Transaction specified in Paragraph 7.1 in VPO.
  9. Settlement instructions as specified in Paragraph 7.1 or 7.2 above shall be registered with trade date equal the date which the settlement instruction is registered in the relevant settlement system (normally the Market Deadline + 1 Clearing Day) and settlement date equal to the Payment Date for the relevant Corporate Action or equal

to the earliest possible settlement date if such transaction is created on or after Payment Date for the applicable Corporate Action.

10. Oslo Clearing may decide to settle fractions as specified in Section 2.4.

## **8 Voluntary Corporate Actions**

8.1 A Clearing Member (or its Settlement Agent), entitled to receive underlying instruments or any instrument deriving from such under an Applicable Transaction or an Entitlement Transaction subject to a Voluntary Corporate Action, shall, without undue delay and not later than within the Liability Request Deadline, submit to Oslo Clearing a Liability Request Notice in accordance with Section 4.

8.2 The Liability Request Deadline for Voluntary Corporate Actions shall be (unless otherwise specified by Oslo Clearing) within 09:00 (CET) on Deposit Date + 1 Clearing Day.

8.3 Oslo Clearing shall allocate liability on the basis of the Liability Request Notices received to the defaulting Clearing Members in accordance with Section 4.

8.4 Applicable Transactions and Entitlement Transactions subject to Voluntary Corporate Actions, and subject to a timely issued Liability Notice, shall be cancelled and replaced by new Clearing Transactions covering the election of the Corporate Action in accordance with the Liability Notices at the end of Deposit Date + 1 Clearing Day or any other relevant date in accordance with 8.7 below.

8.5 Oslo Clearing shall, for each Clearing Transaction created in the Clearing System;

8.5.1 register a corresponding VPO Settlement Transaction for the settlement of any Financial Instrument eligible for settlement in VPO versus payment and/ or;

8.5.2 issue a corresponding settlement instruction for the settlement of any instrument which is not eligible for settlement in VPO or any net cash settlement amount due after transformation of Applicable Transactions subject to a Voluntary Corporate Action.

8.6 Settlement instructions as specified in Section 8.5.1 and 8.5.2 above shall be registered with trade date equal the date which the settlement instruction is registered in the settlement system (normally the Deposit Date + 1 Clearing Day) and with settlement date equal to the earliest possible settlement date for the applicable Corporate Action in the relevant settlement system.

8.7 If the outturn of a Corporate Action is pending the publication of the result of any allocation procedure then an Interim Clearing Transaction will be registered on the Clearing Members' Clearing Accounts at such time as set out in these Procedures (the "Interim Clearing Transaction"). The Interim Clearing Transaction is a temporary Clearing Transaction. It will not be reported to the Clearing Members and no corresponding settlement instruction will be made on the basis of it. When the outturn of a Corporate Action is finalised, the Interim Clearing Transaction will be cancelled and replaced by an ordinary Clearing Transaction registered on the Clearing Members' Clearing Accounts, with a corresponding VPO Settlement Transaction.

8.8 Oslo Clearing may decide to settle fractions as specified in Section 2.4.

8.9 The Clearing Member (or its Settlement Agent) shall immediately match the VPO Settlement Transaction specified in Section 8.5.1 and 8.7.

**9 Preferential rights**

- 9.1 A Corporate Actions consisting of the award of Preferential Rights shall be treated in accordance with this Section 9.
- 9.2 Oslo Clearing will process Applicable Transactions subject to Preferential Rights in accordance with the transaction management procedure set out below:
1. The Applicable Transactions will be maintained until settled in accordance with Appendix 7 (exclusive of the Corporate Event entitlements).
  2. A market claim consisting of the applicable Corporate Action entitlements will be established through the creation of a separate Clearing Transaction registered on the respective Clearing Member's Clearing Accounts at the end of the Record Date.
  3. Thereafter the procedure for Voluntary Corporate Actions shall apply.
- 9.3 The Liability Request Deadline for Preferential Rights shall be (unless otherwise specified by Oslo Clearing) within 09:00 (CET) on Market Deadline.

## Corporate Actions Procedures – Glossary

The terms defined in these Procedures shall have the meaning ascribed below, unless defined in Appendix 1 to the Clearing Rules, whereby the meaning ascribed therein shall apply.

Applicable Transaction	Defined in Section 1.4.
Applicable Clearing Transaction	Defined in Section 1.4.
Applicable Settlement Transaction	Defined in Section 1.4.
Deposit Date	For Voluntary Corporate Actions which allow for elections within the Election Period of positions that have not yet settled, the date by which the settled position must be delivered to the offeror or its agent. The Deposit Date will be subsequent to Market Deadline if the corporate action has an Inventory Delivery Period and equal to Market deadline if the corporate event has no Inventory Delivery Period.
Deadline	Defined in Section 1.2.
Election Period	The period during which election instructions may be submitted to participate in an Elective Corporate Action.
Elective Corporate Action	Defined in Section 1.2.
Ex-Date	The day the Financial Instrument begins trading without the announced Corporate Action entitlement attached to it.
Institution	Issuer, lead manager, subscription place or other institution as applicable appointed to receive instructions in connection with Corporate Actions.
Interim Clearing Transaction	Defined in Section 8.7.
Inventory Delivery Period	A period after the expiry of the Election Period which the offeror has given to perform delivery to the offeror or its agent.
Liability Allocation Deadline	Defined in Section 4.4.
Liability Allocation Notice	Defined in Section 4.4.
Liability Request Notice	Defined in Section 4.1.
Liability Request Deadline	The deadline within which Oslo Clearing shall have received a Liability Request Notice.
Mandatory Corporate Action	Defined in Section 7.1.1.
Market Deadline	The time on the final day of the Election Period that VPS or the issuer stops accepting elections.

Payment Date	Date on which Corporate Event entitlements consisting of a cash payment or other proceeds is due.
Preferential Right	Distribution that consists of a non transferable or non tradable right, or similar.
Record Date	Date on which VPS at end of day determines the beneficiaries to a Corporate Event entitlements.
Voluntary Corporate Action	A Corporate Action in which participation is voluntary for the holder of the Financial Instrument.