

PRIMARY RECORDING OF SHARES

Euronext VPS support recording of both Norwegian and non-Norwegian shares in the VPS Register. Share Issuers typically choose to record their shares with Euronext VPS to enable transfers, trades, and settlement of shares in Norwegian kroner (NOK) in the securities settlement system (VPO NOK). The need for recording of shares in Euronext VPS could be triggered by e.g., a large Norwegian shareholder base and/or listing of shares on Oslo Børs, etc. Recording of shares in Euronext VPS can be achieved through either (1) ‘*primary recording of shares*’ or (2) ‘*secondary recording of shares*.’ This document describes primary recording of shares (and applies equally to Norwegian equity certificates).

Affiliation of non-Norwegian Share Issuers are in general more complex than the process of affiliating a Norwegian Share Issuer and recording its financial instruments. Euronext VPS recommends that Share Issuers set up first contact with an Issuer Account Operator early in the recording process to clarify questions, agree on timeline and next steps, and align on specific pre-requisites for recording.

WHAT IS ‘PRIMARY RECORDING OF SHARES’?

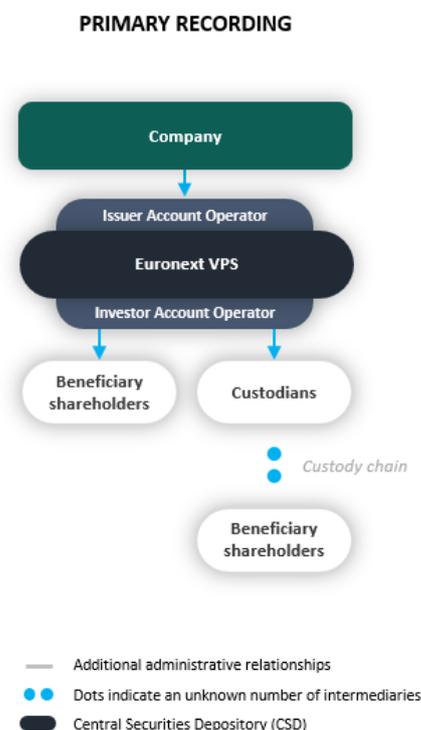
When a Share Issuer considers recording its shares in Euronext VPS it is important that the Share Issuer understands which forms of recording that are available and what form of recording that best accommodates the needs of the Share Issuer. Please see the differences between a *primary recording* and a *secondary recording* of shares in Euronext VPS, described below.

- **Primary recording of shares**

By primary recording of shares in Euronext VPS it follows that the Share Issuer has chosen Euronext VPS as the initial register of recording its shares in a book-entry system (“notary service”), where typically¹ 100% of the shares are recorded. This implies that Euronext VPS is the Issuer CSD of the shares, and that the shares recorded in Euronext VPS are not derived from another CSD or book-entry system.

Please note that a book-entry system has no precise definition in regulation. A book-entry system may be operated by different financial institutions and is not based on one particular method. A core feature is that securities is represented in book-entry form as direct issue in dematerialised form or immobilised when introduced to the book-entry system. Transfer of holdings are completed by debiting and crediting of accounts.

It is the Share Issuer who decides whether they would like to primary record shares in Euronext VPS, making the VPS Register the initial book-entry system for the shares. The



¹ Although typically 100% of shares are recorded in Euronext VPS, it is possible to primary record only a portion of the total number of shares (e.g. 50% or 99% of the shares) in Euronext VPS and have the residual number of shares registered elsewhere.

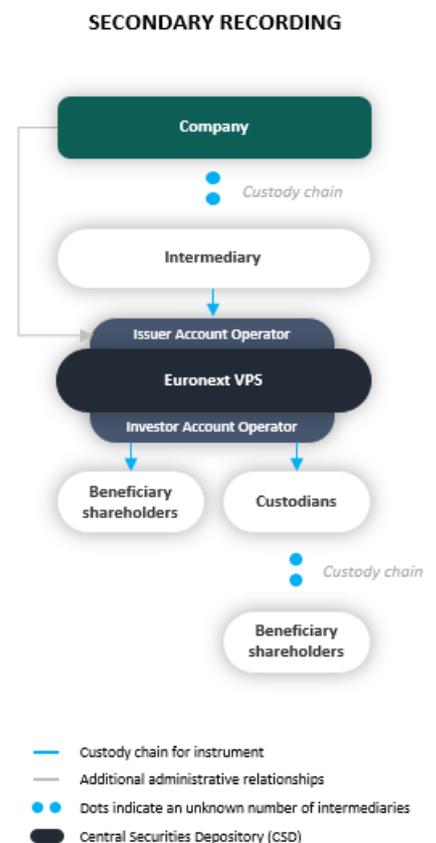
ability of a Share Issuer to primary record its shares in Euronext VPS is subject to the law governing the Share Issuer and Euronext VPS’ Rulebook. Shares primary recorded in Euronext VPS are referred to as ‘Primary Recorded Shares’.

Both Norwegian and non-Norwegian Share Issuers may primary record shares in Euronext VPS. According to Norwegian company law, all Norwegian public limited liability companies (“Allmennaksjeselskap”) are required to have their shares primary recorded in a CSD. Similar requirements may also be applicable to non-Norwegian companies; however, this is dependent upon the applicable law governing the Share Issuer. Only instruments that are governed by legislation approved by (1) Euronext VPS, (2) Norwegian authorities, and (3) the Share Issuer’s local authorities (if the Share Issuer is domiciled within EEA) may be primary recorded in Euronext VPS according to the European CSD Regulation’s (CSDR) passporting requirements. For Share Issuers domiciled outside of EEA the CSDR passporting requirements are not applicable, however Euronext VPS’ ability to accommodate primary recording of shares from Share Issuers domiciled outside of EEA is dependent upon the local law governing the Share Issuer. An up-to-date overview of Euronext VPS’ approved legal jurisdictions can be found on Euronext VPS’ website. If an Issuer Account Operator receives an enquiry from a Share Issuer regarding primary recording of an instrument from a jurisdiction that is *not* on the list of jurisdictions that can be primary recorded in Euronext VPS, the Issuer Account Operator will contact Euronext VPS promptly. It is important to note that Euronext VPS may obtain approvals from additional legal jurisdictions, however obtaining such approvals is a longer process and may delay a primary recording in Euronext VPS.

- **Secondary recording of shares**

Secondary recording of shares in Euronext VPS is limited to shares that are already recorded in another book-entry system. This implies that the Share Issuer records shares in the VPS Register that are derived from the shares already recorded in the other book-entry system. The number of shares recorded in VPS Register could in principle be 100% of the total share capital or a limited amount of the total capital. The securities secondarily recorded in Euronext VPS is held on behalf of Euronext VPS by an intermediary where the shares are recorded. There could be one or more intermediaries in this link from where the shares are initially recorded to the Euronext VPS Register. The system of holding shares through this relationship between account holders and account providers creates this “chain” or link, and intermediaries in this chain are normally custodian banks, CSDs or other financial institutions. Shares secondarily recorded in Euronext VPS are referred to as ‘Secondarily Recorded Shares’.

For more information about secondary recording of shares, please refer to the separate service description for secondary recording of shares (available on Euronext VPS’ website).



Key attributes of primary recorded shares

The following key attributes characterize primary recorded shares:

- **New ISIN**
When primary recording shares in Euronext VPS, a new ISIN will be allocated to the instrument. For Norwegian Share Issuers the ISIN is allocated by Euronext VPS as National Number Agency (NNA) of Norway, however for non-Norwegian Share Issuers an ISIN must be obtained by the Share Issuer from the NNA in the home country of the Share Issuer.
- **Recorded by the Share Issuer**
Primary recording of shares in Euronext VPS is decided by the Share Issuer, and the shares are recorded in Euronext VPS by the Issuer Account Operator appointed by the Share Issuer.
- **Recorded under the relevant law of the Share Issuer**
The law governing the Primary Recorded Shares is normally the law where the Share Issuer is incorporated.
- **Shareholders rights and obligations regulated by applicable law**
The rights and obligations held by the shareholders of Primary Recorded Shares are regulated by the applicable law (normally the law where the Share Issuer is incorporated) of the Primary Recorded Shares.

Most of the shares recorded in Euronext VPS are Primary Recorded Shares. Although it is possible for both Norwegian and non-Norwegian Share Issuers to primary record their shares in Euronext VPS, there may be differences between the attributes of the Primary Recorded Shares, and Euronext VPS' solutions' level of support, depending upon the law applicable for the Primary Recorded Shares. During the process of primary recording shares in Euronext VPS, the Issuer Account Operator will assist the Share Issuer and be available to answer any questions.

HOW TO PRIMARY RECORD SHARES IN EURONEXT VPS

All registrations in Euronext VPS are made by authorized Issuer Account Operators, i.e., Euronext VPS does not have a direct contractual relationship with Share Issuers. The role of the Issuer Account Operator is primarily to record financial instruments in the VPS Register, to keep registered instrument information and information about Share Issuers up-to-date, handle corporate actions, and answer enquiries and communicate with Share Issuers. Issuer Account Operators are required to hold special authorization to be able to perform services for primary recording of shares in Euronext VPS. An up-to-date overview of Issuer Account Operators authorized to primary record shares can be found on Euronext VPS' website.

The first step in becoming primary recorded in Euronext VPS is for the Share Issuer to submit a request to have a financial instrument recorded to an Issuer Account Operator that is approved to provide services for primary recording in Euronext VPS. After submitting a request to have a financial instrument recorded, the Share Issuer must provide the Issuer Account Operator with the information required by legislation, regulations issued pursuant to legislation, the Euronext VPS' Rulebook, and the Issuer Account Operator's procedures about both the Share Issuer itself and the instrument that is to be recorded. Furthermore, the Share Issuer must obtain a LEI (Legal Entity Identifier) number which it must ensure remains valid and

confirm that there is nothing in the law of its home country to prevent the Share Issuer from legally recording its instruments in the VPS Register.

The Share Issuer and the Issuer Account Operator must enter into an agreement to record the instrument in the VPS Register. The agreement between the Issuer Account Operator and the Share Issuer will ensure that the Share Issuer is aware of its rights and duties pursuant to the Euronext VPS' Rulebook and the Norwegian Central Securities Depository Act.

The Issuer Account Operator appointed by the Share Issuer completes the process of primary recording of shares in Euronext VPS' systems in its entirety. As part of the recording process, the Issuer Account Operator will complete numerous tasks as specified by Euronext VPS' Rulebook, e.g., to:

- Ensure the legality of recording the financial instrument
- Ensure the legal jurisdiction of the instrument is approved by Euronext VPS (e.g., CSDR Passport)
- Ensure the instrument is assigned an ISIN and a CFI code according to relevant ISO standards
- Ensure required information about the instrument is received and registered in the VPS Register

Please note that only financial instruments that are dematerialized can be recorded in the VPS Register. A financial instrument represented by a document can only be primary recorded in Euronext VPS if the Issuer Account Operator ensures that the document is destroyed, placed in safekeeping, or secured in another way to prevent it being transferable.

According to the Euronext VPS' Rulebook, a Share Issuer may not be refused to record Primary Recorded Shares unless there is just cause for such a refusal. In the case of a refusal, the Issuer Account Operator will provide the Share Issuer with a reasoned refusal in writing.

When completing a primary recording in Euronext VPS the Issuer Account Operator will distribute the right number of Primary Recorded Shares to the specified shareholders' securities safekeeping account ("VPS Accounts"). A VPS Account is an account for financial instruments in the VPS Register on which ownership rights and limited rights can be registered. Euronext VPS provide several types of VPS Accounts. The main groups of accounts are Individual Accounts, which belong to an individual investor and are in the name of the investor, and Nominee Accounts, which involve a Nominee holding instruments for its customers on an account in the Nominee's name. Primary Recorded Shares may be held on both Individual- and Nominee accounts (i.e., through one or more custodians) in Euronext VPS.

When the Share Issuer is a non-Norwegian entity, it is often beneficial to appoint a Norwegian legal counsel to assist with interpretations of and adaptations to Norwegian circumstances, etc.

RELATED SERVICES OFFERED BY EURONEXT VPS

Euronext VPS offer a wide range of core and ancillary services in addition to the above-mentioned recording services. Most of Euronext VPS' services are designed to support Share Issuers and shareholders from Norway, thus it is important that Share Issuers of non-Norwegian shares and its shareholders understands that there may be characteristics with the non-Norwegian shares/instruments that implies that the VPS related services are not applicable. A summary of key services offered to Primary Recorded Shares is provided below.

- **Settlement**

Euronext VPS offer settlement services to Primary Recorded Shares. This includes Delivery versus Payment (DvP) in Norwegian Kroner (NOK) and Free of Payment (FoP) settlement. It is important to note that the CSDR Settlement Discipline regime applies to all EEA securities, and not securities from outside EEA.

- **Safekeeping**

Euronext VPS offer multiple different account types for safekeeping of financial instruments. Primary Recorded Shares are eligible for safekeeping in Euronext VPS on the following account types:

- Individual Accounts
 - Ordinary VPS-accounts
 - Share Savings Accounts²
- Nominee Accounts

- **Shareholder register**

Euronext VPS offer a shareholder register service originally built to accommodate the requirements of Share Issuers that are governed by Norwegian law and recorded in the VPS Register. According to Norwegian company law the shareholder register for those Share Issuers are held in the VPS Register. When such Share Issuers are recorded in Euronext VPS, a shareholder register is set up for the instrument. The shareholder register contains information on beneficial owners and nominees who have holdings in the instrument and other information required by Norwegian legislation (i.e., the information contained in the shareholder register may differ from information required by the applicable law of the Share Issuer). The shareholder register is updated daily based on information extracted and compiled from the VPS Register. A Share Issuer governed by non-Norwegian company legislation may also receive this service, however the Share Issuer must provide documentation that relevant company legislation or equivalent legislation accords the Share Issuer the right to receive the information that is made available by this service. It is important to note that the shareholder register service offered by Euronext VPS may contain nominees (and hence not all beneficiary owners). Non-Norwegian Share Issuers with a primary recorded instrument should therefore consider, in cooperation with their Issuer Account Operator, whether this service fulfils their needs.

- **Tax reporting**

Euronext VPS offer tax reporting services for Share Issuers recorded in Euronext VPS. The service comprises reporting to the Norwegian Tax Administration (“NTA”) in respect of the instrument and the owners thereof which the Share Issuer of the instrument must provide pursuant to the Tax Administration Act. The tax reporting is required for Norwegian Share Issuers, and most of the Norwegian Share Issuers recorded in Euronext VPS therefore utilize this service. The tax reporting is optional for non-Norwegian Share Issuers but is by default provided for all Share Issuers unless the Share Issuer, via its Issuer Account Operator, notifies Euronext VPS not to perform the reporting. By utilizing the tax reporting service the shareholders of the non-Norwegian Share Issuer gets automatic tax reporting of holdings and transactions in the company. Most non-Norwegian Share Issuers therefore also use the service.

Euronext VPS provides reporting in accordance with the Norwegian legislation and regulations in

² Only instruments fulfilling legal requirements set by Norwegian law may be safekept on Share Savings Accounts. For more information about Share Savings Accounts, please visit Euronext VPS’ website.

force at any time for such reporting as set out in the NTA's format for the submission of information to the Norwegian Tax Administration's Shareholder Register. The Share Issuer and the Issuer Account Operator must ensure that Euronext VPS has complete information on all corporate actions carried out in the financial instrument in question.

- **Corporate actions**

Euronext VPS offers services for Issuer Account Operators so that they can administer and calculate corporate actions on behalf of Share Issuers and, where appropriate, prepare the basis for registration in the VPS Register. Pursuant to Norwegian regulation, Euronext VPS is required to ensure the timely transmission of precise information on the processing of corporate actions to participants in the VPS Securities Settlement System and participating CSDs. A Share Issuer must therefore notify the Issuer Account Operator of a corporate action to ensure that the event is properly executed. The Issuer Account Operator will register the necessary information in the VPS Register as required by the information received from the Share Issuer and without undue delay. Payments processed via Euronext VPS due to corporate actions are made in Norwegian Kroner.

Relevant information on corporate actions and other relevant information involving Primary Recorded Shares that the Issuer Account Operator receives from the Share Issuer will be sent to shareholders through Euronext VPS' digital service or by mail. For participants/Account Holders that have entered into an agreement to receive information in ISO format, such information will be sent to the recipient's message receiving system in this format. Some examples of corporate actions and special considerations are mentioned below.

- ***Private placements and share issues***

Euronext VPS offer functionality to Issuer Account Operators for administering and registering subscriptions in private placements and share issues, including settling cash payments from Account Holders in connection with such corporate actions. Issuer Account Operators receive information regarding the corporate action from the Share Issuer. Account Holders will settle cash payments in accordance with the instructions issued in each specific instance and in Norwegian kroner (NOK). The Issuer Account Operator responsible for the corporate action (may differ from the regular Issuer Account Operator, see Euronext VPS' Rulebook for more information) will receive payments from Account Holders. The Issuer Account Operator will ensure that payments are transferred to the Share Issuer's cash account and that the Account Holders receive the appropriate number of Primary Recorded Shares on their VPS Accounts as a result of the corporate action. To ensure proper handling of events due to NOK payment, it is often beneficial to use a Norwegian event manager.

- ***Dividend distribution, capital repayment, and liquidating dividends***

Euronext VPS offer functionality for distributing payments from a Share Issuer to its shareholders in cooperation with the Issuer Account Operator of the instrument. The functionality calculates dividends and other cash benefits based on the information the Issuer Account Operator has provided to Euronext VPS. The Issuer Account Operator will pay dividends and other cash benefits to Account Holders on the date that the Issuer Account Operator has registered in Euronext VPS. Cash settlement will take place using the bank account that the Account Holders have specified to its Investor Account Operator. Account Holders will receive settlement for such distributions from the Issuer Account Operator on behalf of the Share Issuer. The Issuer Account Operator will carry out reconciliation and will manage rejected payments and enquiries from Account Holders in connection with the payment of dividends and other distributions related to Primary

Recorded Shares. Default withholding tax charged is at maximum level.

- **General meetings**

Euronext VPS offer functionality for Issuer Account Operators to assist Share Issuers with the administrative part of conducting general meetings and ensure Shareholders Rights Directive II³ (“SRD II”) requirements for instruments recorded in Euronext VPS are upheld. The functionality related to assisting a Share Issuer with the administrative part of conducting a general meeting is only relevant for Share Issuers where (1) the Issuer Account Operator is appointed to assist the Share Issuer in conducting their general meeting and (2) all shares are recorded with Euronext VPS, hence this functionality will typically not be relevant for Share Issuers holding their general meeting outside of Norway. The functionality ensuring Shareholders Rights Directive II requirements are upheld (e.g., transmission of relevant information and votes) is relevant to all Share Issuers recorded in Euronext VPS.
- **Split / reverse split**

For (reverse) split of shares, Issuer Account Operators will do necessary calculation and update the balance of the relevant instruments and the holdings on the VPS Accounts in the VPS Register on the applicable record date according to the applicable ratio. Prior to conducting a (reverse) split, the Share Issuer should contact their Issuer Account Operator for a detailed specification of the service, e.g. related to rounding up/down, etc. The Share Issuer will inform and order its Issuer Account Operator deliver this service when relevant.
- **Acquisition**

Euronext VPS offer functionality for Issuer Account Operators in connection with acquisition of shares recorded in Euronext VPS, e.g., to block movements of holdings of a shareholder that has already accepted an offer until the acquisition is completed.
- **Compulsory redemption**

Euronext VPS offer functionality for Issuer Account Operators to complete compulsory redemptions (squeeze-out) of minority shareholders and/or compulsory acquisition of small shareholdings. The ability to make use of this functionality is dependent upon the applicable law governing the instrument.
- **Merger / demerger**

Euronext VPS offer functionality for Issuer Account Operators to complete mergers and/or demergers. Functionality for mergers is used where a company acquires another company, and the shareholders of the acquired company are allocated the correct number of shares in the acquiring company (provided the acquiring company have its shares recorded in Euronext VPS) and holdings in the acquired company are simultaneously redeemed. Functionality for demergers is utilized where a company is divided into two or more companies, and the company’s shareholders are allotted shares in the new company (if the new company’s shares are recorded with Euronext VPS) in addition to shares they already own. The functionality is only available in cases where the acquiring company and the new company is recorded in Euronext VPS. Issuer Account Operators receive relevant information from the Share Issuer.

³ Per time of writing (February 2021), SRDII was not implemented into Norwegian law. Euronext VPS’ services will be SRDII compliant when SRDII is implemented into Norwegian law.

- **Bonus issue**
Euronext VPS offer functionality for Issuer Account Operators to conduct bonus issues from Share Issuers. The service consists of allotting new shares, either in the same ISIN or in a new ISIN, to existing shareholders without payment. The functionality is only available in cases where the ISIN to be allotted to the existing shareholders is recorded in Euronext VPS. Issuer Account Operators receive relevant information from the Share Issuer.

ISSUANCE FEES (RELEVANT FOR ISSUERS)

The price model for Primary Recorded Shares is based on the below-mentioned value drivers. These fees are charged the *Issuer* Account Operators. For more information on fee levels, please refer to the latest fee schedule available on Euronext VPS' website.

- **Variable fee – Nominal capital**
The fee is calculated based on the amount of nominal capital that is recorded in Euronext VPS per ISIN. The fee is invoiced by Euronext VPS to Issuer Account Operators per ISIN per month.
- **Variable fee – Number of investors**
The fee is calculated based on the number of investors holding the security that is recorded in Euronext VPS per ISIN. The fee is invoiced by Euronext VPS to Issuer Account Operators per ISIN per month.
- **Variable fee – Number of ownership updates**
The fee is calculated based on the number of ownership updates that have occurred in a security that is recorded in Euronext VPS per ISIN. The fee is invoiced by Euronext VPS to Issuer Account Operators per ISIN per month.

In addition to the above-mentioned fees the appointed Issuer Account Operator of the Primary Recorded Shares may add fees according to their fee schedules. Euronext VPS does not invoice the Share Issuer directly due to the use of Issuer Account Operators as an intermediary between Euronext VPS and the Share Issuer. The Issuer Account Operator invoices the Share Issuer. The invoices sent by Issuer Account Operators to Share Issuers shall state which services are invoiced from Euronext VPS for the Share Issuer's use of Euronext VPS' services.

SAFEKEEPING AND ASSET SERVICING FEES (RELEVANT FOR INVESTORS)

The safekeeping and asset servicing price model for Primary Recorded Shares is based on the below-mentioned value drivers. These fees are charged the *Investor* Account Operators. For more information on fee levels, please refer to the latest fee schedule available on Euronext VPS' website.

- **VPS Account fee**
Euronext VPS charges a monthly fee for active VPS Accounts. Either the end-investor or its custodian must have an account in Euronext VPS to safekeep primary recorded shares and/or other instruments.

- **Assets under Custody (AuC) fee**
Euronext VPS charges a basis point fee that is calculated based on the total assets that are safekept on the end-investor or its custodian's VPS-account.
- **Activity related fees**
Euronext VPS charges fees for activity related services, e.g., generating and sending 'notification of change' after settlement of a trade.

In addition to the above-mentioned fees the appointed Investor Account Operator may add fees according to their fee schedules. Euronext VPS does not invoice the investor (or its custodian, if applicable) directly due to the use of Investor Account Operators as an intermediary between Euronext VPS and the investor.

LISTING ON EURONEXT

If the Primary Recorded Shares are to be listed at a Euronext marketplace it is important that the Share Issuer set up first contact with Euronext at an early stage in the listing process to clarify questions, agree on timeline and next steps, and align on specific pre-requisites for listing.

Detailed information about requirements, procedures, and continuing obligations of issuers whose securities are admitted to trading can be found on Euronext's [website](#).

CONTACT INFORMATION

For more information, consultation and discussion please contact Euronext VPS' Business Operations:

- E-mail: Utsteder@euronext.com

ABBREVIATIONS

The following abbreviations could be found in this document:

Abbreviation	Definition
CSD	Central Securities Depository
Issuer CSD	A CSD in which securities are initially recorded
Investor CSD	A CSD with a technical link to the Issuer CSD, where shareholders can hold the shares on securities accounts
ICSD	International CSD
ISIN	International Securities Identification Number
FOP	Free of payment
DvP	Delivery versus payment
VPS Register	The central securities register and book-entry system operated by VPS that comprises registrations carried out as part of the registration activities
VPS Account	An account for the registration of ownership rights and limited rights to holdings in financial instruments that are recorded in the VPS Register
NDR	Norwegian Depository Receipt
NDR Issuer	The company (depository bank) that has issued the depository receipts that are subject for registration in a CSD Register
NDR Holder	The registered owner of the NDR certificates in the VPS Register
Sponsored NDR	An NDR issued in agreement directly with the Share Issuer
Unsponsored NDR	An NDR issued without an agreement directly with the Share Issuer
Share Issuer	The company that seeks to record its shares in the VPS Register
Company Shares	Company Shares represents the Share Issuer's shares recorded in the initial book-entry system or Register of Members
Secondarily Recorded Shares	Recording of shares in the VPS Register in a situation where the shares are already recorded in another book-entry system
Primary Recorded Shares	Recording shares in the VPS Register in the situation where this is the initial recording of the shares in a book-entry system
Issuer Account Operator	The role of the Issuer Account Operator is to record financial instruments in the VPS Register and to keep registered instrument information and information about issuers up to date. The Issuer Account Operator shall answer enquiries and communicate with issuers and otherwise assist issuers in connection with matters that arise because their financial instrument(s) is/are recorded in VPS, including assistance in connection with registering corporate actions
Book-entry system	A book-entry system has no precise definition in regulation. A book-entry system may be operated by different financial institutions and is not based on one particular method. A core feature is that securities is represented in book-entry form as direct issue in dematerialized form or immobilized when introduced to the book-entry system