
NORWEGIAN DEPOSITORY RECEIPTS

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‘Depository receipts’ means securities which are negotiable on the capital market, and which represent ownership of the securities of a non-domiciled issuer. Depository receipts can be admitted to trading on a market venue and are traded independently of the securities of the non-domiciled issuer. A central attribute of depository receipts is that the depository receipts are a separate financial security from the Company Shares it represents.

As an alternative for Share Issuers to affiliate and record its Company Shares with Euronext Securities Oslo (“ES-OSL”), the Share Issuer (or an investor, in the case of unsponsored depository receipts) can choose to establish a relationship with a NDR Issuer and have depository receipts issued by that entity to represent the Company Shares according to the underlying Terms and conditions sheet.

WHAT IS A NORWEGIAN DEPOSITORY RECEIPT (NDR)?

An NDR is a negotiable security that evidences rights and obligations to Company Shares of a Share Issuer that have been deposited with a NDR Issuer, according to an underlying Terms and conditions sheet.

In contrast to shares, Norwegian law does not regulate the rights and obligations associated with holding a depository receipt. The rights and obligations are only defined by the Terms and conditions sheet defined by the Issuer of the NDR. Because the NDR Issuer defines the applicable terms and conditions of the NDR (often in cooperation with the Share Issuer) the terms and conditions of different NDRs may differ.

The investor holding the NDR has its rights vis-à-vis the issuer of the depository receipt and normally no direct rights vis-à-vis the issuers of the Company Shares.

NDRs are created by a NDR Issuer when the non-Norwegian company (“Share Issuer”), or an investor¹ who already holds the Company Shares, delivers the shares to the NDR Issuer or the investor’s custodian to have NDRs issued. The NDR Issuer will issue NDRs to the investor in Norway and the investor will typically be able to re-sell the NDRs on a trading venue or OTC (over-the-counter market). NDR Holders should, according to the underlying Terms and conditions, also be able to surrender NDRs in exchange for receiving the Company Shares of the Share Issuer, if such distribution of Company Shares is not prohibited under any applicable law/regulation or under the articles of association of the Share Issuer.

An NDR may represent Company Shares on a one-for-one basis or may represent a fraction of a Company Share or multiple Company Shares, all according to the underlying Terms and conditions. An NDR may only have direct exposure to shares and no other types of financial securities².

NDRs may be “sponsored” or “unsponsored”. Sponsored NDRs are those in which the Share Issuer enters into agreement directly with the NDR Issuer to arrange for recordkeeping, forwarding of shareholder

¹ An investor with a holding of Company Shares can deposit its Company Shares with an NDR Issuer, and the NDR Issuer can (via an Issuer Account Operator) issue Unsponsored NDR representing the underlying Company Shares.

² An example of an NDR structure that is not permitted is to issue NDRs that are exposed to another depository receipt (e.g., Swedish Depository Receipts, American Depository Receipts, Global Depository Receipts) as the underlying asset.

communications, payment of dividends, and other services. An unsponsored NDR is issued without the cooperation of the Share Issuer.

Key attributes

The following key attributes characterize an NDR:

- **Unique ISIN**
An NDR is a separate financial instrument and not the Company Shares it represents, hence the ISIN code of an NDR is unique and does not correspond to the ISIN code of the Company Shares it represents.
- **Instrument classified as ‘depository receipt’**
The Norwegian Depository Receipts’ classification of financial instrument is set to ‘depository receipt’. This information is available in the CFI code of the instrument.
- **Instrument name includes “... NDR”**
All financial instruments issued as NDRs in ES-OSL’s systems include “... NDR” at the end of the instrument name to clearly indicate to investors that they are holding a depository receipt.
- **Issued by a NDR Issuer**
An NDR is issued by an entity (i.e., NDR Issuer) other than the Share Issuer, hence the NDR Issuer’s company name will not correspond to the Share Issuer’s company name.
- **Subject to Norwegian law and dispute resolution mechanism**
An NDR is issued under Norwegian law, meaning that Norwegian law regulates the financial security and the underlying Terms and conditions sheet. The legal venue for the litigation is a Norwegian court or an arbitral tribunal set up according to Norwegian law.
- **Terms and conditions sheet define NDR Holders’ rights and obligations**
Norwegian Depository Receipts are contract-based instruments. In contrast to shares, Norwegian law does not regulate the rights and obligations associated with holding a depository receipt. All rights and obligations are defined by the terms and conditions sheet of the NDR. The NDR Issuer defines the applicable terms and conditions of the NDR (often in cooperation with the Share Issuer), and as a result terms and conditions of different NDRs can differ.

HOW TO RECORD AN NDR IN ES-OSL

NDRs are created by an NDR Issuer and recorded in ES-OSL via Issuer Account Operators. An Issuer Account Operator appointed by the NDR Issuer completes the process of recording an NDR in ES-OSL’ systems. The Issuer Account Operator will request all required information from the NDR Issuer for the Issuer Account Operator to be able to complete the recording of the NDR in ES-OSL.

The Issuer Account Operator appointed by the NDR Issuer is the only entity that can administer information registered about the NDR in ES-OSL' systems. Hence, it is important that the NDR Issuer informs the Issuer Account Operator about any relevant changes to the instrument during its lifetime for it to be reflected in ES-OSL' systems.

Many of ES-OSL' Issuer Account Operators can also issue NDRs. It is not needed – although possible – to use the selected Issuer Account Operator's depository services when issuing an NDR in ES-OSL, i.e., the NDR Issuer and the Issuer Account Operator must be regarded as two separate roles (although both roles could be filled by the same entity).

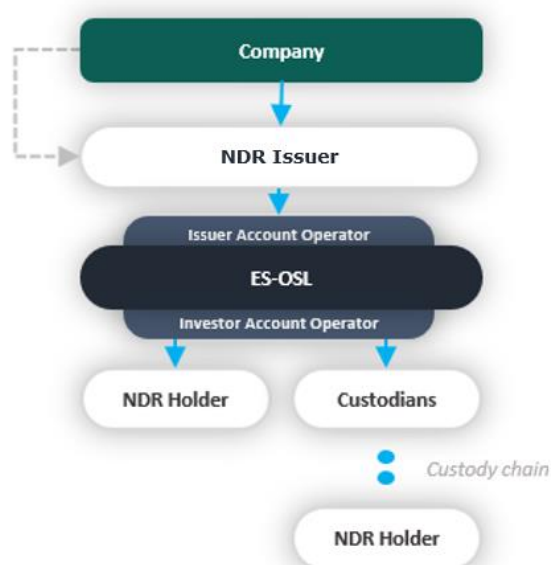
When recording a NDR in ES-OSL the Issuer Account Operator will distribute the right number of NDR certificates to the NDR Holders' VPS-accounts. NDRs could be held on both segregated- and nominee accounts (i.e., through one or more custodians) in ES-OSL. For NDR Holders that do not already have an account in ES-OSL the Issuer Account Operator will create³ new accounts, if applicable.

If the Company Shares exists as physical instruments, the Issuer Account Operator is responsible that the depositing of the physical instruments is done in accordance with the criteria in CSDR.

Issuance of NDRs representing shares of non-Norwegian issuers is in general more complex than the process of affiliating a Norwegian issuer and recording its Company Shares. ES-OSL recommends that Share Issuers and NDR Issuers set up first contact with an Issuer Account Operator early in the issuance process to clarify questions, agree on timeline and next steps, and align on specific pre-requisites.

It is the duty of the Issuer Account Operator of the (potential) NDR Issuer to ensure that the following requirements are fulfilled for the respective NDR instruments:

- NDR Issuer must provide services that ensure the NDR Holders are able to exercise their rights in the underlying instrument (e.g., corporate actions, etc.).
- NDR Issuer must have sufficient operational capacity, competency, and systems.
- NDR Issuer must conduct, on a regular basis, reconciliations between their internal accounts and records and those of any third parties by whom those assets are held to ensure that the number of issued NDRs reconciles with number of shares held in the underlying instrument. This reconciliation must also be documented.
- NDR Issuer must in the Terms and conditions clearly define the process of de-registration the NDR, and clearly describe what the NDR Holders can expect to happen during such process.
- NDR Issuer must make information describing the counterparty risk associated with Norwegian Depository Receipts available to potential and/or existing investors, including what will happen to the NDR and NDR Holders in case of bankruptcy of the NDR Issuer.



³ Subject to the investor meeting relevant AML requirements/procedures, and similar.

RELATED SERVICES OFFERED BY ES-OSL

On a general basis, ES-OSL offer most of the products and services for NDRs (and its NDR Holders) that is offered to shares recorded in ES-OSL. It is however important that the Share Issuer, NDR Issuer, and NDR Holders understands that (1) an NDR is an entirely separate financial instrument compared to the Company Shares of the Share Issuer and is treated so in ES-OSL, (2) information from the Share Issuer and information and decisions regarding corporate actions in the Company Share does not automatically flow from the Share Issuer to the NDR Holders, and (3) that such rights and services according to the Terms and conditions must be facilitated and implemented by the NDR Issuer in cooperation with the Issuer Account Operator to reach out to the NDR Holders.

ES-OSL offer a wide range of core and ancillary services in addition to the above-mentioned issuance services. A summary of key services offered to NDRs is provided below:

- **Settlement**

ES-OSL offer the same settlement services to NDRs as for shares and other securities. 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, including Norwegian Depository Receipts.

- **Safekeeping**

ES-OSL offer investors multiple different account types that can hold different classes of financial instruments. NDRs are eligible for safekeeping in ES-OSL on the following account types: Individual VPS-accounts, Share Savings Accounts, and Nominee accounts. It is only NDRs that fulfil the following requirements that may be eligible for safekeeping on a Share Savings Account:

- The NDR can be equated with a listed share that meets the conditions for being in a share savings account (e.g., the depository receipt must be issued within EU/EEA)
- The NDR gives the holder identical rights, for tax purposes, as if the holder were the direct owner of the underlying security
- The underlying security meets the conditions for a share savings account (e.g., shares, equity funds, within the EU/EEA)

It is the responsibility of the NDR Issuer and its Issuer Account Operator to clarify with the Norwegian tax authorities whether a specific depository receipt is eligible for safekeeping on a Share Savings Account.

- **Ownership register**

ES-OSL offer the NDR Issuer to keep track of NDR Holders through the ownership register service (VPS Issuer Services) if the Terms and conditions sheet clearly contains this right for the NDR Issuer. Furthermore, it should also be clearly defined whether information regarding NDR Holders can be submitted by the NDR Issuer to the Share Issuer.

- **Corporate actions**

ES-OSL offer the Issuer Account Operator of the NDR Issuer corporate action functionality to administer changes in the instrument. Examples of corporate actions services offered are dividend distribution, (reverse) split, compulsory redemption, share/certificate issues and private placements, general meetings, acquisitions, etc. *The Share Issuer (applicable only if the NDR is “sponsored”), the NDR Issuer, and the Issuer Account Operator must collaborate closely to ensure rights and obligations applicable for the NDR are fulfilled. As an example, it is important that the Share Issuer informs the NDR Issuer about any relevant corporate actions in the Company Shares for*

the corporate actions to be acted upon by the Issuer Account Operator of the NDR. See a (non-exhaustive) list of examples of elements that should be addressed in the terms and conditions of the NDR below. Due to the flexibility NDR Issuers have in defining their terms and conditions, ES-OSL' solutions should not be considered to support all forms and variants of different events.

Services specifically tailored towards stock securities are not part of ES-OSL' offering to NDRs. An example of such services is disclosure of shareholders of an instrument as is required for shares according to the Shareholder Rights Directive II (SRD II). A similar requirement for NDRs does not exist.

Although ES-OSL' solutions support instrument administration of NDRs in much the same way as for shares, it is important to note that processing of e.g., corporate actions for an NDR may differ from the Company Shares due to e.g. the NDR's terms and conditions defining differences between corporate action processing of the Company Shares and the NDR. The terms and conditions of the NDR should regulate all relevant events. Examples of items that should be regulated are specified below (non-exhaustive list), however actual terms and conditions contents may vary between different NDRs as no required content is defined by law:

- **Deposit of shares and registration**
The Terms and conditions should define how the Company Shares are deposited and relevant details about the deposit.
- **Conversion (deposit) and withdrawal of shares**
The Terms and conditions should define the right to convert Company Shares to NDRs (deposit) and withdraw Company Shares from NDRs, and the high-level procedure to conduct such deposits and withdrawals.
- **Trading in NDRs**
The Terms and conditions should define whether the NDR shall be admitted to trading. If the NDR shall be admitted to trading, the Terms and conditions should describe high-level what NDR Holders can expect (e.g., information) in case the NDR is de-listed or in the event that the listing/trading shall be transferred to another trading venue.
- **Record date**
The terms and conditions should define the record date which shall be applied for the determination of those NDR Holders who are entitled to receive cash or other property out of dividends distributed on the Company Shares, to participate and vote at shareholders meetings, to receive shares in connection with bonus issues, and to otherwise exercise those rights which normally accrue to shareholders in the underlying company. Note that the record date of the NDR may differ from the record date of the Company Shares.
- **Dividends and taxes**
The terms and conditions should define how dividends will be processed and distributed to NDR Holders (e.g., payment date, currency, exchange rates, rounding, fees, tax, etc.).
- **Bonus issues, splits, or reverse splits of shares**
The terms and conditions should define how bonus issues, splits and/or reverse splits of Company Shares will affect the number of NDRs to ensure that the NDR Holders receive the benefit of all

such entitlements.

- **New issues**

The terms and conditions should define how issue of new Company Shares or other rights, to which the Share Issuer's shareholders generally have pre-emptive rights, are handled and how the NDR Holders can subscribe for Company Shares or other rights via the NDR Issuer. Furthermore, the NDR Issuer's entitlement to sell any rights not used by the NDR Holders on the NDR Holders' behalf should be defined.

- **Participation at shareholders' meetings**

The terms and conditions should define how NDR Holders will be informed about any shareholder meetings, what the notification shall include, and instructions on any measures to be taken by the NDR Holder to be able to vote at the shareholders meeting by attending the meeting in person or to authorize a person to attend and vote on the NDR Holder's behalf.

- **Information and notices**

The terms and conditions should define how the NDR Issuer will ensure that NDR Holders receive information from the Share Issuer, e.g., what information an NDR Holder will receive and how the NDR Holder will receive it.

- **Obligations in respect to SRD2 companies**

If the Shareholder Rights Directive 2 (SRD2) regulatory requirements are applicable to the Share Issuer, the Terms and conditions should define if and how these regulatory requirements will be applicable to the NDR instrument.

- **Information regarding NDR Holders**

The terms and conditions should define the NDR Issuer's rights to submit information about the NDR Holders to the Share Issuer (e.g., information from Ownership Register of the NDR Issuer).

- **Fees and costs**

The Terms and conditions should define which party will carry the NDR Issuer's costs and fees for administration of the Company Shares, and other relevant costs.

- **Replacement of depository entity**

The terms and conditions should define the process to expect in the event of the Share Issuer deciding or needing to retain another depository entity in lieu of the initial depository entity.

- **Amendments to Terms & Conditions**

The Terms and conditions should define which parties are entitled to amend the Terms and conditions, and in which cases amendments are allowed.

- **Limitation of liability**

The Terms and conditions should specify any applicable limitations of liability applicable to the NDR.

- **Termination and deregistration in ES-OSL**

The terms and conditions should define the process to expect in the event of the NDR being terminated, and events that could lead to such termination. The term and conditions should also define under which condition the NDR Issuer may do deregistration of the instrument in the ES-OSL

register and that the NDR Issuer is authorized to receive from ES-OSL the list of the owners, nominees and holders of rights to holdings at the time of deregistration.

- **Applicable law**

The terms and conditions should define under which legal jurisdiction the terms and conditions should be interpreted and applied.

It is the NDR Issuer and the Issuer Account Operator that will use services provided by ES-OSL. Furthermore, as noted above, it is important that the NDR Issuer agree with relevant parties on the services that the NDR Issuer will provide. Examples of services typically provided by an NDR Issuer are:

- Custody of the Company Shares
- Issuance of NDR that represents the Company Shares in custody
- Receipt of dividend payments from the Share Issuer, conversion into the currency of the NDR, and distribution to the NDR Holders
- Registrar services for the NDRs
- Transmission of shareholder information to the NDR Holders, including proxy forms, annual reports, and other corporate action materials
- Issuer reporting, supplying information to the Share Issuer on the activity related to the NDR
- Cancellation of NDRs and release of the Company Shares to the NDR Holders or designated broker
- Tax reclaims services

APPLICABLE FEES

Please see Euronext Securities Oslo's fee schedule for details regarding applicable fees for issuance and safekeeping of Norwegian Depository Receipts, and other related services. The fee schedule is available on Euronext Securities Oslo's website.

LISTING ON EURONEXT

If the NDR is to be listed at a Euronext marketplace it is important that the NDR Issuer and 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 ES-OSL' Business Operations:

- E-mail: OSL-clientsupport@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
ES-OSL Register	The central securities register and book-entry system operated by ES-OSL 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 ES-OSL Register
NDR	Norwegian Depository Receipt
NDR Issuer	The company 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 ES-OSL 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 ES-OSL 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 ES-OSL Register in a situation where the shares are already recorded in another book-entry system
Primary Recorded Shares	Recording shares in the ES-OSL 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 ES-OSL 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 ES-OSL, 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