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DISCIPLINARY COMMITTEE PROCEDURES

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Disciplinary Committee Procedures

1 Introduction

- 1.1 In accordance with the Securities Market Act (2007:528) and the supplementary regulations issued by Finansinspektionen, an exchange is obliged to supervise the trading to ensure a fair and orderly market is maintained. An important objective for Burgundy is also to protect and maintain the integrity and confidence of the securities market and to uphold the integrity and confidence of the marketplaces operated by Burgundy. Participation in trading at Burgundy is governed by Burgundy's rulebook, applicable laws, regulations and industry best practice (Regulations). Being an Issuer at Burgundy and the issuance of products admitted to trading on the Burgundy RM is governed by the Issuer and Product Rules.
- 1.2 In accordance with the Securities Market Act (2007:528) and Finansinspektionen's regulations FFFS 2007:17, Burgundy has an independent Disciplinary Committee, which decides in disciplinary matters (see section 4.6 in the rulebook and section 4.5 in the Issuer and Product Rules).
- 1.3 In the event a Trading Participant or an Issuer is subject to a disciplinary matter, without being in a default situation as per the rulebook and the Issuer and Product Rules, the disciplinary matter may be subject to an investigation by the Disciplinary Committee.
- 1.4 The words defined in these procedures shall have the same meaning as defined in the rulebook or the Issuer and Product Rules.

2 Disciplinary Committee

- 2.1 The Board of Directors of Burgundy appoints the Chairman, the Deputy Chairman and the members of the Disciplinary Committee. The Disciplinary Committee member pool consists of people from Denmark, Finland, Norway and Sweden. The composition of the Disciplinary Committee is decided by the Chairman on a case by case basis.

3 Disciplinary Procedure

- 3.1 A disciplinary matter is referred to the Disciplinary Committee by Burgundy or by a Trading Participant or an Issuer (registrant). Finansinspektionen may also refer a matter to the Disciplinary Committee in accordance with Chapter 13 in the Securities Market Act (2007:528). The procedure for handling a disciplinary matter follows the procedure as set forth in FFFS 2007:17.
- 3.2 The decision by the Disciplinary Committee shall be made public by Burgundy through a press release as close to the time of the decision as possible. The press release shall be written by Burgundy after consultation with the Chairman of the Disciplinary Committee. Individuals will remain anonymous in the press release.

4 Disciplinary Sanctions

4.1 A disciplinary matter will be subject to one or more of the following sanctions;

- (i) a warning, should the breach be considered as a minor breach of the Regulations;
- (ii) a fine, should the breach not be deemed as a minor breach or a gross breach as per (i) and (iii) ,
- (iii) a termination of the Trading Participant Agreement/Issuer Agreement, should the breach be considered as a gross breach of the Regulations.

4.2 The minimum level of fine is SEK 50.000 and the maximum level is SEK 2.000.000. The level of fine imposed on a Trading Participant/Issuer is based on the circumstances in each individual disciplinary matter and on the nature of the breach.

4.3 Should the Disciplinary Committee consider the matter be of an immaterial nature, the Disciplinary Committee may decide not to impose any sanction.

4.4 The fines imposed on Trading Participants/Issuers are used to cover the costs related to administration of the Disciplinary Committee. Should there be a surplus at the end of the calendar year, the surplus is donated to charitable purposes.

4.5 If the Disciplinary Committee decides to terminate the Issuer Agreement pursuant to 4.1 (iii) above, the financial instruments admitted to trading on Burgundy RM on behalf of the Issuer may be delisted.

5 Challenge/Incompetence

5.1 In the event a member of the Disciplinary Committee would be incompetent to participate in a certain disciplinary matter due to an occurrence which might affect the member's independence, the member is not allowed to participate in the Disciplinary Committee meeting. Each person of the Disciplinary Committee member pool is responsible to inform the chairman of the Disciplinary Committee of any instance or occurrence that may be an objection to participation.

6 Reporting

6.1 The Disciplinary Committee will provide the Board of Directors of Burgundy with a written report of the disciplinary matter including the conclusion. The Disciplinary Committee shall also provide the Board of Directors with a yearly report regarding the work conducted by the Disciplinary Committee.