

burgundy[®]

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ISSUER AND PRODUCT RULES

EXCHANGE TRADED FUNDS

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Content

Definitions

| | |
|----------|---|
| 1 | Introduction |
| 1.1 | Burgundy AB |
| 1.2 | General about ETFs admitted to trading on the Burgundy RM |
| 1.3 | Issuer and Product Rules |
| 2 | Issuer |
| 2.1 | Eligibility Criteria |
| 2.2 | Issuer Obligations |
| 3 | Product |
| 3.1 | General Requirements |
| 3.2 | Underlying Instrument |
| 3.3 | Clearing and Settlement |
| 3.4 | Delisting of ETFs |
| 4 | Miscellaneous |
| 4.1 | Fees |
| 4.2 | Limitation of Liability |
| 4.3 | Default and Sanctions |
| 4.4 | Termination |
| 4.5 | Disciplinary Matters |
| 4.6 | Governing Law and Dispute Resolution |

Definitions

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| BTS | The electronic trading system (Burgundy Trading System) in which the financial instruments admitted to trading on the Burgundy RM are traded. |
| Burgundy | Burgundy AB (Reg. no 556732-7217). |
| Burgundy News | Any notice or announcement published by Burgundy at Burgundy's website and/or distributed by Burgundy to subscribers on Burgundy News series. |
| Burgundy RM | The regulated market operated by Burgundy with the MIC <i>BURM</i> . |
| Burgundy Rulebook | Rules issued by Burgundy which stipulates the conditions for being a trading participant at Burgundy, conditions for trading in the BTS and the rules for accessing the BTS. |
| Central Securities Depository | An organization that handles clearing and/or settlement of transactions in securities. |
| Disciplinary Committee | A committee to which a disciplinary matter is referred for determination. |
| ETF | Exchange Traded Fund (fund units admitted to trading on the Burgundy RM). |
| Finansinspektionen | The Swedish Financial Supervisory Authority. |
| Issuer | A fund company or equivalent which has signed the Issuer Agreement for ETFs and hence can apply for its ETFs to be admitted to trading on the Burgundy RM. |
| Issuer Agreement | The agreement between the Issuer and Burgundy and constitutes a part of the Issuer and Product Rules. |
| Issuer Application | The application form to be submitted by a fund company or equivalent that wish to apply for becoming an Issuer. |
| Issuer and Product Rules | The Issuer and Product Rules for Exchange Traded Funds and applicable supplementing documents referred to, which are binding to the Issuer upon signing the Issuer Agreement. |
| MIC | Market Identifier Code. |
| MTF | Multilateral trading facility as defined in art 4(1) (15) in MiFID and chapter 1 clause 5 (12) in the Swedish Securities Market Act (2007:528). |
| Product | ETF. |
| Product Application | The application form to be submitted by an Issuer that wish to apply for its fund units to be admitted to trading on the Burgundy RM. |



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| Trading Participant | A company which can participate in trading in the BTS upon signing the trading participant agreement with Burgundy. |
| Underlying Instrument | The asset that underlies and gives value to an ETF. |

1 Introduction

1.1 Burgundy AB

1.1.1 Burgundy is an exchange operating a regulated market (Burgundy RM) and an MTF (Burgundy MTF). Burgundy is authorized and regulated by Finansinspektionen.

1.1.2 Burgundy is owned by Nordic banks and investment firms. The objective of Burgundy is to strengthen the Nordic region as a financial center and provide a fast, advanced and cost effective trading system for trading securities.

1.2 General about ETFs admitted to trading on the Burgundy RM

1.2.1 Burgundy may offer trading in ETFs that are listed and traded on a regulated market, an MTF or any equivalent marketplace established within the EEA or outside of the EEA. Such ETFs are eligible for trading on the Burgundy MTF. ETFs may also be admitted to trading upon application by the Issuer in accordance with chapter 13 clauses 3-5 in the Securities Market Act (2007:528). Such ETFs are admitted to trading on the Burgundy RM.

1.2.2 In order for a fund to be admitted to trading on the Burgundy RM upon application by the Issuer, the fund must fulfill the Product requirements in chapter 3.

1.2.3 To approve an Issuer Application and a Product Application, Burgundy will assess whether a fair, orderly and efficient trading in the fund units can be foreseen and whether relevant public information regarding the Issuer and the ETF is available for Burgundy's Trading Participants and other investors.

1.3 Issuer and Product Rules

1.3.1 The Issuer and Product Rules are issued and published by Burgundy. The Issuer and Product Rules includes

- (i) conditions and requirements for being an Issuer, and
- (ii) Product requirements.

1.3.2 The Issuer and Product Rules are applicable to the Issuer and to the ETFs that are admitted to trading on the Burgundy RM upon application by the Issuer, or for which admission to trading is sought. The rules on the duty of the Issuer to disclose relevant information about the Issuer and the ETF shall apply to the Issuer from the time the Product Application is submitted to Burgundy. The Issuer and Product Rules become binding to the Issuer upon signing the Issuer Agreement for ETFs. The Issuer must comply with the Issuer and Product Rules, applicable laws, regulations and industry best practice. The latest version of the Issuer and Product Rules is to be found at Burgundy's website, www.burgundy.se.

1.3.3 The Issuer and Product Rules are applicable to the Issuer as long as the Issuer has ETFs admitted to trading on the Burgundy RM.

Amendments and additions

1.3.4 Burgundy may amend the Issuer and Product Rules and make additions to the Issuer and Product Rules as Burgundy deems necessary. Amendments and additions will normally be referred to Burgundy's Issuer Legal Group (reference group) for consideration and

consultation before implementation. The Burgundy Issuer Legal Group consists of specialists from the owners' of Burgundy, also being Issuers.

- 1.3.5 Burgundy decides the date when the amendments or additions to the Issuer and Product Rules will enter into force. However, amendments and additions will not enter into force earlier than two (2) weeks after Burgundy has announced such amendments or additions to its Issuers. Amendments and additions may enter into force without prior consultation with the reference group should extraordinary events occur which may affect the trading in the ETFs in a material way or should the amendment or addition be of non-material importance or of an editorial nature in Burgundy's opinion. Such amendments and additions may enter into force earlier than mentioned above, and in special situations, with immediate effect, in Burgundy's sole determination.

Miscellaneous

- 1.3.6 Trading in ETFs is carried out through the BTS and is therefore subject to the rules in the Burgundy Rulebook and applicable supplementing documents.
- 1.3.7 An Issuer's failure to comply with the Issuer and Product Rules may result in a sanction, termination and/or disciplinary proceedings as per sections 4.3-4.5.
- 1.3.8 In addition to the requirements in the Issuer and Product Rules, Burgundy reserves the right to impose additional requirements on the ETFs and the Issuer if Burgundy considers this necessary for the protection of investors.
- 1.3.9 As an exchange Burgundy shall monitor i.a. recurring financial information by an Issuer. Recurring financial information from all Issuers will be monitored by Burgundy.

2 Issuer

2.1 Eligibility Criteria

- 2.1.1 To become an issuer of ETFs the applicant must at least satisfy the following criteria;
- (i) be a Swedish fund company regulated and authorized by Finansinspektionen, or an EEA based investment or fund company or management company, who with support of either an authorisation by, or a notification to Finansinspektionen, conducts fund operations, conduct marketing and distribution of fund units in Sweden under the Swedish Investment Fund Act.
 - (iii) have the relevant clearing and settlement ability or arrangements in the relevant Central Securities Depository (CSD) or registrar approved by Burgundy and have a satisfactory number of fund units registered at the CSD or registrar in question, in Burgundy's opinion.
 - (iv) have adequate and suitable organizational arrangements for the business, secure and sufficient systems in order to be able to comply with the requirements in the Issuer and Product Rules and applicable laws and regulations, and sufficient resources and competences for issuing of ETFs in accordance with the Issuer and Product Rules and applicable laws and regulations.
- 2.1.2 The Issuer must continue to fulfil the eligibility criteria at all times whilst an Issuer.

2.1.3 The decision whether to approve an applicant to become an Issuer is taken by Burgundy. Burgundy may refuse an Issuer Application even if the formal requirements for becoming an Issuer are fulfilled.

2.2 Issuer Obligations

2.2.1 Upon receiving an Issuer Application, Burgundy will assess if relevant public information about the Issuer is available for Burgundy's Trading Participants and other investors and that the information dissemination to the market is, in Burgundy's opinion, appropriate.

Information and notification

2.2.2 The Issuer must make public to the market, and provide to Burgundy, initial, continuous and ad hoc information regarding its operations and the ETFs which is of importance for the assessment of the Issuer and the price of the fund units and as required by applicable laws and regulations.

2.2.3 An Issuer must, immediately, notify and inform Burgundy of situations affecting its ability to meet the eligibility criteria, enforcement action on the Issuer by the relevant regulatory authority or other relevant authority, a significant breach of the applicable laws and regulations and other situation or occurrence affecting the Issuer's ability to perform its obligations and responsibilities according to the Issuer and Product Rules. This includes, but is not limited to, material changes to operations, clearing and settlement ability or arrangements, market making arrangements, change of control or legal status. This also includes information if the financial position deteriorates to an extent there is a risk that the Issuer will no longer be able to perform its obligations according to the Issuer and Product Rules and the applicable laws and regulations.

2.2.4 Changes to the Issuer's company name, address, contact details and changes to other information as specified in the Issuer Application must be notified to Burgundy without delay.

2.2.5 The financial reports for each ETF shall be prepared and disclosed in accordance with applicable laws and regulations. The financial reports shall be published on the Issuer's website and the annual report for the ETF shall be submitted to Burgundy without delay. In addition, the relevant full prospectus and simplified prospectus for the ETF must be available on the Issuer's website.

2.2.6 Any information, decisions or activities related to the Issuer which may have an impact on the value of the issued fund units or the conditions for being an Issuer in accordance with the Issuer and Product Rules and applicable laws and regulations, must be made public to the EEA market (on a non-discriminatory basis) by the Issuer as soon as possible and provided to Burgundy without delay. Such information includes changes to the fund's investment strategy, fees, redemption cycles and significant changes to previously disclosed information or decisions or actions issued by the relevant regulatory authority. The disclosure of information may be delayed in accordance with applicable laws and regulations.

2.2.7 The Issuer must notify Burgundy of any change(s) to the full prospectus and the simplified prospectus approved by the relevant regulatory authority. Furthermore, Burgundy reserves the right to request additional information from the Issuer, if deemed necessary in order to secure that a fair, orderly and efficient trading in the ETF is conducted and in order to secure that the Issuer fulfils its information obligation in accordance with the Issuer and Product Rules,

applicable laws and regulations (e.g. chapter 15 and 16 in the Securities Market Act (2007:528), in Burgundy's opinion.

- 2.2.8 Information and announcements provided and published by the Issuer shall be clear, relevant, correct and sufficiently extensive in order for an investor to make an assessment of the affects on the price of the fund units and in order to make a well grounded investment decision. All information disclosed in accordance with the Issuer and Product Rules shall be available on the Issuer's website and provided to Burgundy.
- 2.2.9 Burgundy has the right to obtain information from the Issuer as required by Burgundy in order for Burgundy to fulfill its obligations in applicable laws and regulations. Burgundy co-operates, notifies and supplies relevant information to authorities, Burgundy's auditors and other third parties as required by applicable laws and regulations or by court order.

Disclosure of confidential information

- 2.2.10 Confidential information includes information (oral or written) disclosed by the Issuer or its employees, officers, representatives or advisers (including affiliates) to Burgundy. Confidential information is any information relating to the Issuer and that normally would be regarded as confidential, such as business relationships and clients, except where the information is already publicly available. Confidential information will be treated by Burgundy with outmost respect and such information shall not be disclosed.
- 2.2.11 Notwithstanding the aforementioned, Burgundy may disclose confidential information to its employees, officers, representatives or advisers, internally and within its affiliates, only on a need to know basis and only for the purposes of carrying out its business. Burgundy shall ensure that the relevant people have signed a confidentiality undertaking. Confidential information may also be disclosed by Burgundy to authorities, Burgundy's auditors and other third parties should such disclosure be required by applicable laws, regulations or by court order. Confidential information may be disclosed by Burgundy if the Issuer has given its written consent to the disclosure.

Market making

- 2.2.12 The Issuer undertakes, during normal market conditions, to quote bid and ask prices in the BTS for its ETFs on a continuous basis, reflecting the current market prices, i.e. market making. Irrespective if the Issuer quotes the bid and ask prices or if a third party quotes the bid and ask prices on behalf of the Issuer, the Issuer remains responsible that bid and ask prices are quoted in the relevant ETF on a continuous basis.
- 2.2.13 In the event the Issuer, or the third party acting as market maker on behalf of the Issuer, ceases to quote bid and ask prices for the ETF in the BTS, the Issuer must immediately provide Burgundy with details of the reason to the cessation. Information should also be published at the Issuer's website.
- 2.2.14 Changes to the market making arrangements must be notified to Burgundy without delay.
- 2.2.15 Burgundy may grant an exemption from the requirement for market making should the fund units be subject to regular trading with satisfactory liquidity in Burgundy's opinion. Such exemption may be limited in time.

Adjustments

- 2.2.16 The Issuer shall, on a continuous basis, monitor the Underlying Instrument for any actions (e.g. corporate actions) which will affect the valuation of the ETF/fund units.
- 2.2.17 The Issuer is responsible for making the necessary adjustments to the ETF and to make such information public, e.g. on the Issuer's website. The issuer is also responsible to inform Burgundy of any adjustment to the ETF including the date of the first trading day excluding the effect of a corporate action or similar.

Full prospectus and simplified prospectus (Sw. informationsbroschyr och faktablad)

- 2.2.18 A full prospectus and the simplified prospectus shall be maintained in respect of each ETF. The full prospectus and the simplified prospectus must be prepared in accordance with the Swedish Investment Funds Act (2004:41) and be approved by Finansinspektionen. If the home member state of the Issuer is another EEA member state, the full prospectus and the simplified prospectus shall be prepared in accordance with the equivalent fund laws and regulations of that EEA member state, and approved by that member state's competent authority.
- 2.2.19 The full prospectus, the simplified prospectus and the marketing material, where applicable, shall be provided to Burgundy by the Issuer in connection with the Product Application. Any changes to the full prospectus and the simplified prospectus must be provided to Burgundy as soon as it is registered, updated and approved by the regulatory authority in question.

3 Product

3.1 General Requirements

- 3.1.1 The documentation to be provided to Burgundy upon a Product Application is specified in the product application form for ETFs. In order for an ETF to be admitted to trading on the Burgundy RM upon application by the Issuer, the ETF must fulfill the requirements in this chapter 3.
- 3.1.2 The ETF must be approved by Finansinspektionen. If another EEA member state is the home state, the ETF must be cross-border notified to Finansinspektionen in order to be admitted to trading on the Burgundy RM. The cross-border notification process is the sole responsibility of the Issuer and a copy of proof that the fund has been cross-border notified to Finansinspektionen needs to be provided to Burgundy in accordance with the Product Application. The ETF shall be freely transferable. A security is deemed to be freely transferable if it can be traded between the parties of the transaction and subsequently transferred without restriction, and if all securities within the same class as the security in question are fungible.
- 3.1.3 The terms of the ETF shall be clear and unambiguous and allow for a correlation between the price of the ETF/fund units and the price or other value measure of the Underlying Instrument. The number of fund units issued and information on the Net Asset Value (NAV) per fund unit must be publicly disclosed at least daily, e.g. on the Issuer's website. If the Issuer is unable to calculate the NAV for any reason it must immediately be made public by the Issuer.
- 3.1.4 Upon a Product Application, Burgundy will assess whether a fair, orderly and efficient trading and price formation process in the fund units can be foreseen and if sufficient and relevant

information regarding the ETF (e.g. the funds' prospectus and the periodic publication of the net asset value) is publicly available. Furthermore, Burgundy may also assess whether the information dissemination to the market is, in Burgundy's opinion, appropriate for suitable trading in the ETF and for Burgundy's Trading Participants and other investors to make a well grounded investment decision.

- 3.1.5 The decision whether to approve an ETF for trading in the BTS upon application by the Issuer is taken by Burgundy based on the information provided by the Issuer in the Product Application. Burgundy may refuse to approve an ETF to be admitted to trading on the Burgundy RM.

3.2 Underlying Instrument

- 3.2.1 The following types of Underlying Instruments can be accepted by Burgundy;

- (i) Shares or other equivalent financial instruments,
- (ii) Indices, or a basket of financial instruments,
- (iii) Currencies,
- (iv) Commodities,
- (v) Interest rates
- (vi) Funds

- 3.2.2 The Underlying Instrument must be continuously traded on a recognised marketplace, in Burgundy's opinion. If the Underlying Instrument is an index, the index must be widely known and published, in Burgundy's opinion.

3.3 Clearing and Settlement

- 3.3.1 The ETF must be registered with a Central Securities Depository or registrar approved by Burgundy.

3.4 Delisting of Products

- 3.4.1 Burgundy reserves the right to delist an ETF at any time if the Issuer does not fulfil its obligations according to the Issuer and Product Rules and applicable laws and regulations, be in a default situation or should the Issuer breach the Issuer and Product Rules or applicable laws, regulations and industry best practice in Burgundy's opinion. Burgundy may also decide to delist an ETF if the Issuer Agreement is terminated. In addition, an ETF may also be delisted from trading if a fair, orderly and efficient trading and price formation process cannot longer be foreseen in the ETF in Burgundy's sole determination.

- 3.4.2 The Issuer may apply for delisting of an ETF.

- 3.4.3 If an ETF is delisted, the last trading date for the ETF needs to be set by the Issuer in conjunction with Burgundy. A delisting will be announced by Burgundy and information about the delisting will be provided to Finansinspektionen.

4 Miscellaneous

4.1 Fees

4.1.1 The Issuer shall pay the fees in accordance with the applicable product price list. Burgundy reserves the right to make changes to the product price list at any time and changes to the product price list will be announced to the Issuer. Changes to the product price list enter into force at the earliest one (1) month after such announcement is distributed. A reduction in fees may enter into force at an earlier stage.

4.2 Limitation of Liability

4.2.1 Burgundy does not guarantee that the BTS or other systems and connections in use from time to time will be error free and operate without any interruption. Burgundy shall not be liable for any technical disruption, loss of connectivity of any kind, errors or interruptions in market data generated by the BTS or similar technical problems with systems or connectivity or to any damages or losses incurred as a consequence thereof. Burgundy shall not be liable for damages or losses (directly or indirectly) incurred as a consequence to a technical problem or a decision taken by Burgundy in accordance with the Issuer and Product Rules.

4.2.2 Neither Burgundy nor the Issuer shall under any circumstances be liable for damage resulting from actions outside of their control such as actions of public authorities, legislation, war, threat of war, flood, strike, sabotage, blockade, boycott, fire, and power shortage or other equivalent or similar events outside of Burgundy's and the Issuer's control, even if Burgundy and the Issuer is the subject of such event.

4.2.3 Neither Burgundy nor the Issuer will be liable for any delay or failure in the performance of any of their responsibilities and obligations under these Issuer and Product Rules due to a situation as specified in clause 4.2.2.

4.3 Default and Sanctions

4.3.1 A default situation occurs when the Issuer no longer fulfills its obligations for being an Issuer, or there is a risk that such a situation will occur.

4.3.2 Default situations are, but are not limited to, situations whereby the Issuer no longer fulfills the eligibility criteria as specified in section 2.1 or do not oblige to the other obligations and requirements in the Issuer and Product Rules. A default situation may also occur if the Issuer no longer is suitable for being an Issuer, in Burgundy's opinion. Such a situation may occur should the Issuer be suspended from being an Issuer at other marketplaces.

4.3.3 An Issuer will also enter into a default situation should the Issuer suspend its payments, apply for a company reorganization order, be placed in bankruptcy or file its own petition for bankruptcy or the existence of other situations which indicate that the Issuer is insolvent or may become insolvent.

4.3.4 In the event an Issuer is deemed to be in a default situation, in Burgundy's opinion, Burgundy management may decide to;

- (i) delist or suspend the ETF from trading in the BTS. Such a decision may be taken immediately upon becoming aware of the default situation and will last as long as

Burgundy deems necessary;

(ii) terminate the Issuer Agreement in accordance with section 4.4;

(iii) refer the situation to Burgundy's Disciplinary Committee.

4.4 Termination

4.4.1 An Issuer may terminate the Issuer Agreement upon three (3) months written notice to Burgundy. Burgundy, in its absolute discretion, may impose requirements on the Issuer to the extent that such requirements are necessary to ensure a fair and orderly trading of the Product admitted to trading on the Burgundy RM. Upon termination, Burgundy may, in coherence with the Issuer where relevant, decide to delist the ETFs.

4.4.2 The Issuer Agreement may be terminated by Burgundy upon written notice.

4.4.3 The Issuer is bound by the obligations imposed by the ETFs issued before the termination takes effect and hence, section 4.5 shall survive termination of the Issuer Agreement.

4.5 Disciplinary Matters

4.5.1 In the event an Issuer breaches or potentially breaches the Issuer and Product Rules, applicable laws, regulations and industry best practice, without being in a default situation in accordance with section 4.3, the event (disciplinary matter) may be subject to an investigation by the Disciplinary Committee.

Burgundy may also report the disciplinary matter to Finansinspektionen or other relevant regulatory authority in accordance with applicable laws and regulations.

4.5.2 The disciplinary committee may impose one or more of the following sanctions;

(i) a warning, should the breach be considered as a minor breach;

(ii) a fine, between SEK 50,000 and SEK 2,000,000, should the breach not be deemed as a minor breach or a gross breach as per (i) and (iii),

(iii) a termination of the Issuer Agreement should the breach be considered as a gross breach.

4.5.3 The procedures on disciplinary matters are to be found in a supplementing document, Disciplinary Committee Procedures, which can be found at Burgundy's website.

4.6 Governing Law and Dispute Resolution

4.6.1 The interpretation and application of the Issuer and Product Rules and its enforcement shall be governed by and adjudicated in accordance with Swedish law. The exclusive place of jurisdiction for any disputes arising out of and in connection with these Issuer and Product Rules shall be the Stockholm District Court as the first instance.