

**EFORE PLC**  
**INSIDER GUIDELINES**

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## 1. INTRODUCTION

It is in the best interest of Efore, its shareholders and personnel to avoid negative publicity regarding speculation of misuse of inside information. Explicit and properly followed insider guidelines enhance confidence towards Efore in the markets. In order to avoid misuse of insider regulations Efore has drawn up group level Insider Guidelines including e.g. regulations on insiders, the insider register, disclosure requirements, prohibition on abuse of inside information, and trading restrictions. Efore's Board of Directors has confirmed these Guidelines.

The Insider Guidelines of Efore are binding on all persons employed by Efore Group as well as on the Board members and auditors of Efore plc.

The guidelines are based primarily on the following rules and regulations:

- Securities Markets Act (495/1989)
- Penal Code
- Standard 5.3 of the Finnish Financial Supervision Authority, "Declarations of Insider Holdings and Insider Registers"
- Guidelines for insiders issued by NASDAQ OMX Helsinki Oy ("Exchange")

For more information about the topic please visit

<http://www.finanssivalvonta.fi/en/Pages/Default.aspx> and <http://omxnordicexchange.com/>

## 2. DEFINITIONS

### **Security**

A security shall mean a company's shares and securities entitling to subscribe for shares (e.g. convertible bonds and option rights).

### **Controlled entity**

Controlled entity means an entity, e.g. a company, or foundation under the influence of the shareholder in accordance with Chapter 1, Section 5 of the Securities Markets Act, in which he/she has a majority of votes or can alone use a majority of the votes by virtue of a contract or can otherwise appoint or dismiss the majority of members in its supervisory board, board of directors or similar body. A similar control relationship is also established in a situation where a shareholder, together with his/her controlled entities or through such controlled entities, has a majority of votes or the above-mentioned right to appoint or dismiss members. In order for a control relationship to be established, it is sufficient that the opportunity to exercise control exists.

### **The Financial Supervision Authority**

The Financial Supervision Authority supervises financial markets, communication and participants. It operates in connection with the Bank of Finland but is an independent decision-making body.

### **Inside information**

Information relating to a security of a company subject to public trading, which is precise by nature and has not been published or which has not otherwise been available in the market and which is likely, when released, to have a material effect on the value of the said security. Information is not

considered as inside information if one combines publicly available information to be used privately.

### **Entity in which the insider exercises influence**

Entity in which the person exercises influence refers to an entity or foundation where the person has significant influence. Influence is based on the position of the insider in the entity. A significant influence is established if the person functions in an entity or foundation in a position referred to in Chapter 5, Section 3, Subsection 1, Paragraphs 1 or 2 of the Securities Markets Act or in a similar capacity or is a partner in a partnership or active partner in a limited partnership. Entities subject to declaration also include entities and arrangements unknown in Finnish legislation, such as trust arrangements under common law.

#### **REMEMBER**

Every employee of Efore must comply with Efore's Insider Guidelines regardless of whether they are insiders defined by Efore or not.

## **3. INSIDER REGULATIONS**

A company must comply with the insider regulations of the country where it is registered and has its domicile. Thus, Efore's insider issues are managed in accordance with current Finnish legislation and regulations given by local authorities.

### **3.1 Why Insider Regulations are Important**

The aim in regulating the stock market is to provide assurance of the reliability and fairness of the markets among local and international market participants. In consequence of this, the abuse of inside information is considered as the most severe and aggravating offence by the Securities Markets Act. The aim of insider regulations is that all investors have common knowledge and information to use when dealing with security transactions. The core of the regulations is to prohibit insiders from timing their selling and buying better than other investors. A mere doubt that unpublished information has been used in Efore's securities trading undermines the confidence of investors towards Efore.

### **3.2 Prohibition on the Abuse of Inside Information**

The prohibition against abuse of inside information shall apply to all persons who possess non-disclosed inside information irrespective of the source of or means by which that information has been received. It makes no difference if the information is received at work or by other means.

A person possessing inside information is not allowed to:

- use the information by directly or indirectly acquiring or transferring securities on his/her own behalf or on behalf of another person;
- advise, directly or indirectly, another person in a securities transaction; or
- disclose the information, unless the disclosure takes place as part of the ordinary performance of work, profession or duties, there is an acceptable reason for the disclosure from Efore's perspective and the recipient acknowledges the confidential and inside nature of the information.

This prohibition shall also apply to people who, as shareholders, have received information from the issuer of securities, and to people who have received tips that might affect the value of a security from a person who, for his/her part, has received the information by virtue of his/her position.

Although the trading restrictions do not apply to an insiders' spouse, common-law husband/wife, parents or other immediate family it is, however, it is not allowed to circumvent these restrictions by trading in securities on one's own behalf using one's immediate circle or other intermediaries. When necessary, an insider must inform his/her immediate circle of these rules and the obligations involved therein.

### **3.3 Non-disclosed Information**

Non-disclosed information refers to a fact relating to Efore's security which has not been published or which has not otherwise been available in the market and which is likely to have a material effect on the value of Efore's security. In determining if the information is inside information, attention is paid to the fact whether the information, when becoming public, could change investors' opinions about the value of Efore's security.

Inside information may include non-disclosed information on e.g.:

- the contents of Efore's annual report or interim report before publication thereof
- a new and notable delivery agreement with a customer
- a new cooperation agreement with a partner
- a merger or division of the company or other significant corporate arrangement
- a share issue, lowering of the nominal value of the shares or another change relating to the shares of the company

### **3.4 Public Information**

Information having an effect on the value of the security is published when a stock exchange release regarding the information has been submitted to the Exchange and the central media. Information which otherwise has been available to the market in the press or in electronic media is comparable to published information, such as market and company analysis. Information received at the Shareholders' Meeting is also regarded as public.

#### **REMEMBER**

- The abuse of inside information is considered the most severe and aggravating offence by the Securities Markets Act.
- Trade of Efore shares and other securities is forbidden when inside information is used. It is also forbidden to advise another party in a transaction relating to Efore securities.
- Combining publicly available information is not considered as inside information.
- It is forbidden to use one's family or friends to circumvent insider regulations.

## 4. INSIDERS

Being an insider may take different forms. In most situations being an insider is based on position and work duties or taking part in the arrangement of a specific project. A person can become an insider also by chance or accidentally.

Insiders can be divided into four groups:

- insiders with duty to declare
- permanent company-specific insiders
- project-specific insiders
- accidental insiders.

Permanent insiders include those insiders referred to in Chapter 5, Section 3, of the Securities Markets Act (**insiders with the duty to declare**) and people designated as insiders by Efore (**permanent company-specific insiders**). Temporary insiders include those who have inside information by virtue of their specific assignment by the company (**project-specific insiders**). A person who has received inside information by accident is classified as an accidental insider.

### 4.1 Insiders with the Duty to Declare

Efore has a duty to maintain a public register for the statutory insiders with the duty to declare.

- The persons belonging to Efore's public insider register are the members of the Board of Directors, the President and CEO, the Deputy to the President and CEO, the company's auditors and the members of the Executive Management Team.

### 4.2 Company-specific Insiders

#### 4.2.1 Permanent Company-specific Insiders

Efore has identified as **permanent company-specific insiders** those persons who, by virtue of the exercise of their duties, regularly receive information on the company which is likely to have material effect on the value of Efore's security.

- Permanent company-specific insiders are persons who are in charge of the most important operations and persons who are responsible for the company's finance, legal issues, research and development, communications, and the assistant of the top management.

The determination of a person as a permanent company-specific insider does not require the consent of that person. The company-specific insider-register is not public.

#### 4.2.2 Project-specific Insiders

Project-specific insiders are persons who are taking part in the preparation of a certain project or are aware of a project considered confidential which, once implemented, would be likely to have a material effect on the value of Efore's security. Persons working for the company on the basis of an employment contract or other agreement who have access to project-specific inside information, and other persons to whom the company discloses project-specific inside information, are to be entered in the project-specific inside register (such as the company's advisors, authorities and an

unlisted company which is a counterparty in an acquisition). For more information on project-specific insider issues, please see Section 6.2.2.

**REMEMBER**

- Anyone can become an insider.
- Inside information can also be received by chance or accident.

## **5. INSIDERS' DISCLOSURE REQUIREMENTS AND PUBLICITY OF HOLDINGS**

The disclosure obligations of Securities Markets Act Chapter 5 apply to the insiders with the duty to declare, i.e., persons belonging to the public insider register. The duty to declare relates to certain basic information and security holdings. The disclosure obligation begins when a person has started working in the position which makes him/her an insider, if he/she has not received inside information previously. The duty to declare expires when the position as insider ends.

Permanent company-specific insiders and project-specific insiders do not have a duty to declare and their security holdings are not public.

### **5.1 Declaration Requirement**

#### **5.1.1 Basic declaration**

An insider with the duty to declare is obliged to provide the insider registrar with his/her basic personal data and information on his/her spouse (married spouse or partner in a registered partnership), any persons under his/her custody or trusteeship, any other family members who have lived in the same household for more than one year as well as any entity or foundation which are deemed to be under control or influence, as well as any changes in this information. For the definition of entities under control or influence please see Section 2 Definitions. As an exception, the following entities do not need to be declared provided that they do not engage regularly in security trading:

- housing companies
- real estate companies
- non-profit associations, such as sports and hobby clubs, student associations and trade unions
- trade associations, such as forest management, road maintenance and fishing associations

The duty to declare does not apply to information regarding a common-law spouse.

The identity number and address of an insider subject to declaration duty and the name of another natural person than the name of an insider are not public information.

The duty to declare information relating to persons belonging to the immediate circle of an insider does not, as such, make such persons insiders.

#### **5.1.2 Information on Holdings**

The disclosure requirement of the insiders with the duty to declare applies to publicly traded shares issued by Efore and to securities entitling to such shares, as well as to other securities or the value of which is determined on the basis of said securities (for example convertible bonds, stock

option rights, subscription rights, depositary receipts and warrants) as well as derivative contracts the value of which is determined on the basis of Efore's securities.

An insider's own holdings, as well as the holdings of his/her spouse, persons under his/her custody or trusteeship, any other family members who have lived in the same household for more than one year and of organizations in which he/she exercises control, and any changes in those holdings, must be entered in the public register on insiders. Changes in security holdings must be declared when the ownership of a person subject to declaration requirement has changed as a result of an acquisition or disposal against consideration in the amount of at least EUR 5,000. When calculating the sum the holdings of the person subject to the declaration requirement together with his/her related persons are combined. Even if the value of changes in holdings during a calendar year is less than EUR 5,000, a person with a duty to declare must make an annual declaration by January 31 of the following year. However, it is recommended that a person with a duty to declare declares all changes in security holdings in order to avoid the risk of failure in fulfilling the disclosure obligation.

Securities held by entities in which an insider exercises influence need not be declared.

As the registration of holdings and any changes therein varies in different situations, different actions are required from insiders as follows:

1. Changes in the publicly traded securities incorporated in the book-entry system maintained by Euroclear Finland Ltd (including Efore plc's share) are automatically entered in the SIRE system register of insiders when the transaction has been concluded on the Helsinki Exchanges. (Please see Section 6.1 below for more information about SIRE). A separate declaration of such changes in holdings need not be submitted.
2. When a transaction or other change (e.g. exchange, gift or inheritance) of the securities incorporated in the book-entry system has been concluded outside the Helsinki Exchanges, an insider must make the declaration of change personally, and must ensure that this change will be entered into the book-entry account of the book-entry register.
3. When a change is related to securities under nominee registration owned by a foreign person with a duty to declare, an insider shall himself/herself ensure that declarations of the change are made.
4. When a change is related to securities other than those in the form of book entries (e.g. derivatives contracts, options based on an employment relationship, a security of a Finnish company quoted abroad), an insider must himself/herself ensure that declarations of the change are made.

An insider with the duty to declare is responsible for compliance with his/her duty to declare even if the insider entrusts the administration of his/her security holdings to another party and does not directly contribute to his/her investment decisions.

The **basic declaration and declaration on holdings** must be made by persons subject to the declaration requirement **within two weeks (14 days)** after they have taken up their position. Declaration **changes of both basic information and holdings** must be filed within **one week (7 days)** of the moment the change has taken place. The needed forms are available from intranet or insider registrar Sari Jaulas. The person in charge of insider issues in the company is Olli Nermes.

**REMEMBER**

- A security holding is always public if the person is a insider with the duty to

declare.

- Declarations of both basic information and holdings must be filed within two weeks. Changes in basic information or information on holdings must be filed within one week.
- Insider declarations must include information about
  1. insiders' personally-owned Efore securities which have not been maintained under the Finnish book-entry system
  2. insider's spouse, persons under insider's custody or trusteeship, any other family members who have lived in the same household for more than one year and holdings in Efore owned by them
  3. entities in which an insider exercises control and the holdings in Efore of those organizations
  4. entities in which an insider exercises influence.
- If the shares and securities are incorporated in the book-entry system, an insider does not separately need to declare ownership of them, as changes are automatically entered into the SIRE system.
- Holdings in securities not maintained under the book-entry system and derivative contracts must be declared.

## **6. EFORE'S INSIDER REGISTERS**

### **6.1 Public Insider Register**

The information regarding Efore insiders subject to declaration duty are maintained in the SIRE system (Insider Register System) operated by Euroclear Finland Ltd. SIRE is a computerized register of insiders that includes information declared by insiders. SIRE is connected to the book-entry system, and any changes in securities holdings of the insiders entered in the register are automatically updated in the book-entry system. All information is available to the Financial Supervision Authority for supervising security markets.

Efore updates from its part information maintained in the SIRE and the information is available for public inspection on the company's Internet pages [www.efore.com](http://www.efore.com) and at the customer service point of Euroclear Finland Ltd, address Urho Kekkosen katu 5 C, Helsinki.

### **6.2 Company-specific Insider Register**

Efore maintains a company-specific insider register in parallel to the public insider register. The company-specific insider register is divided into two partial registers: the permanent company-specific insider register and the project-specific insider register. Persons recorded in the company-specific register will be notified by email of their recording in the register and their subsequent responsibilities. The company-specific register is not public.

#### **6.2.1 Permanent Company-specific Insider Register**

The permanent company-specific insider register is referred to in Section 4.2.1. Persons recorded in the permanent company-specific insider register are not obligated to inform parties with linked interests or holdings of securities. However, persons in the company-specific insider register are subject to the restrictions on trading applicable to permanent insiders as referred to in Section 7.

## 6.2.2 Project-specific Insider Register

A project is defined as a confidential and specifiable plan or scheme which, once implemented, would be likely to have a material effect on the value of Efore's security. The plan or scheme turns into a project for example once the Board of Directors has made decisions on the matter or the implementation of the plan or scheme may be reasonably assumed to be realized. A project is typically a plan or arrangement that deviates from the usual business operations of the company and is subject to public disclosure based on company's ongoing disclosure requirements when realized. Efore evaluates on a case by case basis whether a plan or a scheme under preparation should be deemed as a project. A project and its evaluation criteria are described in more detail in Section 7.3 of Guidelines of the Exchange

When Efore expressly defines a plan or scheme under preparation as a project, the person in charge of the project must contact the insider registrar in order to establish a project-specific insider registration. Insiders for a specific project are people who are taking part in the preparation of the project or are otherwise aware of a project which is considered confidential. People entered into a project-specific register are informed by email about this insider filing and what it means.

The project-specific insider register is a temporary register and a person is a project-specific insider as long as the project continues. It is necessary to forbid those entered in the register from trading in Efore's securities until the expiration or publication of the project. If a project is directed at another listed company, Efore can forbid trading in the securities of that other company. The restriction on trading based on a project-specific register enters into force at the earliest when a project-specific insider has been notified of the restriction. Regardless of the date on which this registration begins, an insider is always personally responsible to comply with the insider regulations.

A project-specific insider shall keep all information on the project confidential and is subject to the prohibition to disclose inside information (see Section 3.2 above). Only the President and CEO and the CFO are entitled to disclose and approve the disclosure of inside information in accordance with the preconditions mentioned in Section 3.2 above.

The project-specific insider register is not public, but the Finnish Supervision Authority has the right to receive information regarding the project-specific insider register.

### **REMEMBER**

- The prohibition against abuse of inside information applies to all persons who possess inside information irrespective of the source of or means by which that information has been received. Thus, the prohibition against the abuse of inside information applies to all employees in Efore.
- Everyone is responsible to evaluate whether the information she/he possesses is inside information or not.
- Everyone is personally responsible to comply with the prohibition against abuse of inside information.

## **7. RESTRICTION ON TRADING (CLOSED WINDOW)**

The permanent insiders of Efore must schedule the trading in Efore securities in such way that the trading does not undermine confidence in the securities markets. It is recommended that permanent insiders acquire Efore's securities as long-term investments only. It is also recommended to schedule the trading of these securities as near as possible to the moment when the markets have as accurate information as is possible of the issues influencing the value of the security (e.g. the day after the publishing of the financial result information).

**A permanent insider must not trade in Efore securities for a period starting 21 days prior to the disclosure of an interim report, financial statement or preliminary information based thereof and ending the day following the day of the release of such a report.** During other periods trading with Efore securities is allowed provided that a person is not entered into a project-specific register and he/she does not otherwise possess inside information.

**It is recommended that also those persons who are not insiders defined by Efore comply with the above mentioned trading rules when trading in Efore securities.**

### **7.1 Scope of the Restriction on Trading**

In case the insider has transferred his/her asset management to a third party, it is recommendable that Efore securities are excluded from the scope of the asset management. In case Efore shares are kept in the scope of the asset management, the insider's asset manager should be made aware that the insider belongs to the inside register. An insider should instruct his/her asset manager that Efore securities shares cannot be traded during the period of the closed window.

The restriction on trading shall not be applied in the following cases:

- securities issued by Efore are subscribed or acquired directly from Efore;
- securities issued by Efore are received as redemption, merger or division consideration, or as consideration in accordance with a public offer or in another comparable manner;
- securities issued by Efore are received as dividend or as other distribution of the company profit,
- securities issued by Efore are received as remuneration for work or other corresponding performance or service,
- securities issued by Efore are received as inheritance under a will, as gift or in distribution of marital assets or in another comparable way.

It should be noted that the prohibition to abuse inside information shall be in force also when deviating from the restriction on trading.

Irrespective of the closed period, trading in Efore securities is always forbidden when the person possesses inside information. If the insider wishes, he/she can ask the insider registrar to estimate the legality of his/her planned security trading and whether it is in line with Efore's insider guidelines. Nevertheless, an insider is always personally responsible for complying with the laws, regulations and guidelines.

#### **REMEMBER**

- If you buy Efore securities, do it as long-term investments only.

- A Efore insider must not trade Efore securities for a period of 21 days prior to the disclosure of an interim report or financial statement. Even outside that period, make sure that you do not have specific project-based information.
- If you are unsure about the timing, check whether there are any reasons not to trade. However, everyone is personally responsible for that his/her transactions do not break the insider regulations in force.

## **7.2 Trading in Securities based on an Employment Relationship or Membership of an Administrative Body**

If a person is involved in the stock option program of Efore, he/she is entitled to subscribe after the subscription period of the stock options has begun, in accordance with the guidelines given by Efore. However, trading in the shares subscribed for on the basis of the option rights, requires that the person has no inside information which might prohibit him/her from trading Efore securities.

### **REMEMBER**

- Options must be declared and any share trading restrictions apply equally to them.

## **8. SUPERVISION AND SANCTIONS**

### **8.1 Supervision of insiders**

Efore has organized regular supervision of the trading and the duty to notify of the permanent insiders of the company. Efore requires permanent insiders to verify the information declared to the company each year and, in addition, Efore checks the trading activity of the permanent insiders at least once a year based on the register information of Euroclear Finland Ltd.

Efore may decide to arrange additional supervision, e.g. if a permanent insider deals with a large volume of securities or the trading of securities is continuous.

The Financial Supervision Authority supervises prohibited use of inside information, insiders' duty to declare and the maintenance of insider registers. Offences concerning insider issues are reported to the Financial Supervision Authority according to their instructions.

### **8.2 Supervision of Others who are not Members of the Primary Insider Group**

Efore employs personnel who are not defined as insiders by Efore but who, by virtue of the exercise of their duties, regularly or occasionally receive inside information on the company. These kinds of persons may include, for example, those who regularly receive the company's result estimates. The regulations of this guideline apply also to these persons and Efore can monitor also their trading with Efore securities if needed.

### **8.3 Sanctions due to Negligence of Disclosure Requirements and Abuse of Insider Information**

If an insider who has concluded an employment contract with any company in the Efore Group violates the regulations provided herein, the person is given a written remark. In addition, Efore may be entitled to issue a warning, give notice or terminate the employment of the said person. The Financial Supervision Authority may impose an administrative fine to an insider with a duty to declare who fails to submit the declaration on insider holdings in time or who submits a false or an insufficient declaration.

Chapter 51 of the Penal Code contains provisions which prohibit the abuse of inside information. A person abusing insider information can be sentenced to a fine or to imprisonment for at most two years. If the abuse of insider information is aggravated, the person can be sentenced to imprisonment for at least four months and at most four years.

#### **REMEMBER**

- Efore monitors its own insiders.

For more information please contact:

Person in charge of insider issues Olli Nermes, CFO, Efore plc., tel. + 358 40 844 5604  
Insider registrar Sari Jaulas, Efore plc., tel. + 358 40 766 2828