COUNTRY COMPARATIVE GUIDES 2023

The Legal 500 Country Comparative Guides

Norway

CAPITAL MARKETS

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This country-specific Q&A provides an overview of capital markets laws and regulations applicable in Norway.

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NORWAY
CAPITAL MARKETS

1. Please briefly describe the regulatory framework and landscape of both equity and debt capital market in your jurisdiction, including the major regimes, regulators and authorities.

The regulatory framework for capital markets in Norway is largely aligned with EU directives and regulations, making Norway's capital markets comparable to practice on the international European markets.

Equity is regulated to a greater extent than debt, in particular with respect to shareholder rights and protection of minority interests. Norwegian private companies are subject to the Norwegian Private or Public Companies Act, depending on its form of incorporation. Being listed on a regulated market in Norway requires that the company incorporate as a public company, making the company subject certain additional requirements on corporate governance and reporting. In addition, the Norwegian Securities Trading Act (the "**Securities Act**") implements Directive 2004/25/EC on takeover bids (the "**Takeover Directive**") providing additional statutory shareholder protection for shares listed on regulated markets.

The Norwegian debt capital market, as across the Nordics, holds its efficiency for raising funds as a trademark. Documentation for offerings is most often based on Nordic Trustee standards and template agreements, marketed based on term-sheets and investor presentations. The larger document packages, consisting inter alia of a prospectus, is prepared if listing the bond issue within typically 6 – 12 months after the placement.

Both equity and debt (bonds) are financial instruments and subject to the Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**") and Regulation (EU) 596/2014 on market abuse (the "**Market Abuse Regulation**") the Market Abuse Regulation. Both regulations are implemented in Norway directly through the Securities Act, meaning the EU text applies as Norwegian law making the regulatory framework highly comparable to EU markets. Compliance is maintained primarily by the Norwegian Financial Supervisory Authority (the "**Norwegian FSA**") and the Oslo Stock Exchange. The Oslo Stock Exchange is the Norwegian take-over supervisory authority, but also maintain market surveillance with respect to disclosure obligations and unlawful trading. As a result of the legal background for Norway's regulatory framework, market participants should note that guidelines and statements from EU regulators such as the European Securities and Markets Authority ("**ESMA**") will often be of importance when interpreting application of relevant capital markets regulations also in Norway.

The Oslo Stock Exchange operates three platforms for trading of listed shares, being (i) Euronext Oslo Børs, (ii) Euronext Expand, and (iii) Euronext Growth Oslo. Both Oslo Børs and Euronext Expand are regulated markets, while Euronext Growth Oslo is a multilateral trading facility ("**MTF**"). In addition, Oslo Stock Exchange operates the N-OTC system, an information system for Norwegian unlisted shares. Bonds may be listed on (i) Euronext Oslo Børs or (ii) Nordic ABM. Nordic ABM is not a regulated market nor multilateral trading facility nor organized trading facility and is thus not subject to the provisions of the Securities Act.

2. Please briefly describe the common exemptions for securities offerings without prospectus and/or regulatory registration in your market.

The main regulatory regime for securities offering is the Prospectus Regulation, and the requirement to prepare a prospectus for public offerings. The Prospectus Regulation is applicable for public offerings (regardless of marketplace) and listing of securities on a regulated market, e.g., Euronext Oslo Børs and Euronext Expand.

The most commonly relied upon exemption from preparing a prospectus for public offerings is to address

the offer of securities to investors who acquire securities for a total consideration of at least EUR 100,000 per investor for each separate offer. Exemptions may however be combined, and issuers often reserve a right to combine exemptions in the relevant offer documentation inter alia for allocations (as opposed to an offer) of a lower amount than EUR 100,000 to fewer than 150 natural or legal persons per Member State or to qualified investors.

Issuers are also exempted from the obligation to publish an offering prospectus in accordance with the Prospectus Regulation, provided that the total consideration of each such offer in the EU is less than EUR 8,000,000 calculated over a period of 12 months. Norway has however implemented a national prospectus regime that applies for public offerings with a total consideration of between EUR 1 million and EUR 8 million calculated over a period of 12 months. The Prospectus Regulation on exemptions from the obligation to prepare a prospectus applies correspondingly for national prospectuses.

With respect to listing prospectuses, for admission of securities to trading on a regulated market, the common exemption to rely on is issuance of less than 20 % of the number of securities already admitted to trading on the same regulated market, calculated over a period of 12 months. Other practical exemptions relate to mergers and acquisitions, where exemptions may be available for statutory mergers and exchange offers provided an exemption document is prepared.

3. Please describe the insider trading regulations and describe what a public company would generally do to prevent any violation of such regulations.

Insider dealing is prohibited pursuant to the Market Abuse regulation. Insider dealing arises “where a person possesses inside information and uses [inside] information” when dealing in financial instruments. The prohibition is applied broadly for a range of transactions in financial instruments admitted to trading on inter alia regulated markets and MTFs. Trading by insiders, or persons discharging managerial responsibilities (“**PDMR**“) will also be restricted by the prohibition. Further, PDMRs are prohibited from carrying out any transactions for a period of 30 calendar days prior to public disclosure of regulatory financial reports, subject to certain limited exemptions in case of immediate financial distress, share programs for employees, or other.

The Market Abuse Regulation’s provisions on notifying transactions carried out by PDMRs and their close associates applies for financial instruments admitted to trading on inter alia regulated markets and MTFs. The PDMR and their close associates shall notify transactions to the issuer as well as the Norwegian FSA as soon as possible and at the latest within three business days after the transaction. The Norwegian FSA has put emphasis on “as soon as possible” shall be interpreted as “immediately”. The issuer has the same deadline for disclosing the transaction.

Public companies will generally establish internal manuals setting out required procedures for any trading. A common approach for public companies is to introduce procedures that require PDMRs to clear all transactions with a senior employee or the board. The scope of persons subject to the clearing obligation is assessed for each issuer. In addition, each PDMR and employee is responsible for their own compliance and due assessment of whether it is allowed to trade and to comply with applicable notification requirements. As these procedures are introduced also as the public company’s internal rules, any breach may have consequences for the relevant persons’ role and position with the company in case of beaches. With respect to close associates, the PDMRs must inform them about the notification requirements and typically the issuer will assist in preparing relevant information and guidance on the regulations.

4. What are the key remedies available to shareholders of public companies / debt securities holders in your market?

In a Norwegian public or private company, the shareholders exercise supreme authority in the company through the general meeting, and as such voting rights are the key remedy. Shareholders may require having an issue discussed at a general provided a notification is made within seven days before the mandatory notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda. In any general meeting shareholders may also bring an advisor and require that the board and management answer questions concerning the matters on the agenda, provided it is not to the detriment of the company’s interest.

Shareholder minority rights are also key remedies in Norwegian companies, and includes inter alia:

- Shareholders owning more than 5 and 10 percent, in a public limited liability company and a private limited liability company, respectively, may require that an extraordinary general meeting must also be

convened for the consideration of specific matters.
- A right to demand a shareholder owning 90% or more of the shares to acquire a minority holding (with a corresponding right for the 90% or more majority to squeeze-out the minority).
- Any shareholder may petition the courts to have a decision of the board or general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself.

Bonds issued under Norwegian law and/or in the Norwegian market are normally issued based on market template documentation developed by market participants and coordinated by Nordic Trustee AS, the institution acting as bond trustee in the vast majority of Norwegian bond issues.

A key clause in the Norwegian template bond terms is the “no-action” clause. This implies that as a single bondholder, you are not able to take separate action against the issuer of the securities, and that it is the bond trustee that represent the bondholders as a group towards the issuer. The role of the bond trustee is further to monitor the rights of the bondholder and to receive notices and communication from the issuer.

In case of the need of waivers or amendments, the bondholders will determine the waiver and/or amendment request, which will, except for minor technical amendments, by a 2/3 majority of the so called “Voting Bonds” (being bonds eligible for voting which are not including bonds held by the issuer or any of its affiliates) represented at the bondholder meeting (or in the case of written resolutions, 2/3 of all Voting Bonds.

Should a bondholder or a group of bondholders wish to have specific matters handled at a bondholder meeting, it/they may, if constituting at least 1/10 of the Voting Bonds, demand that a bondholder meeting is convened and that summons for such meeting is sent by the bond trustee within 10 days. Should the bond trustee fail to send the summons, the requesting bondholder(s) may do so itself.

All bondholders may expect to be treated equally with the other bondholders and will have equal rights to payments from the issuer or from proceeds obtained by the bond trustee in enforcement events.

5. Please describe the expected outlook in fund raising activities (equity and debt) in your market in 2023.

The last half of 2022 and the first half of 2023, we have seen a less active capital market in Norway compared to the preceding period. It is expected that several funds have unutilized capital available and that their focus will be on deploying and managing them than raising new funds. This may however vary between fund managers, depending on sector focus. We have seen an increased interest for investments in the energy sector, both more traditional areas as well as renewables.

6. What are the essential requirements for listing a company in the main stock exchange(s) in your market? Please describe the simplified regime (if any) for company seeking a dual-listing in your market.

The Oslo Stock Exchange operate three markets for admission to trading of shares, with the key listing requirements as set out above. Overall, shares may be admitted to trading provided the shares are assumed to be of public interest and are likely to be subject to regular trading.

	Euronext Oslo Børs	Euronext Expand	Euronext Growth Oslo
Market value	- NOK 300m or more	- NOK 8m or more	- EUR 2.5m - Private Placement, Public Offer or Direct Admission (based on existing listing)
Existence and operational history	- Three years existence and operational history (exemption may be applied for)	- No explicit requirements	- No explicit requirements, but requires a Euronext Growth approved advisor to handle the deal
Historical financial information	- Audited annual reports for the last three years published (exemption possible) - Prepared an interim report for last half year subject to a limited scope audit (unless comprised by audited annual report) - Compliance with IFRS (or similar)	- At least one audited annual report or interim report - Prepared an interim report for last half year subject to a limited scope audit (unless comprised by audited annual report) - Compliance with IFRS (or similar)	- At least two audited annual reports (exemption available) - IFRS, IFRS equivalent, GAAP of the country of registration or other recognized accounting standards
Liquidity	- 12 months or more of sufficient liquidity to continue business activities and planned scale of operations		
Defined number of shareholders	- 500 or more	- 100 or more	- 30 or more
Share price	- NOK 10/share or more	- NOK 1/share or more	- NOK 1/share or more
Free float	- 25 % or more		- 15 % or more
Board composition	- At least two board members independent from management, material business relations and large shareholders. Management should not be part of the board - Board members must not be deemed “unfit” to govern a publicly traded company - Required representation of both genders in Norwegian public companies		- No independence requirements - Board members must not be deemed “unfit” to govern a publicly traded company - Private company organization available
Organization	- Adherence to Norwegian corporate governance code (non-Norwegian companies may use local code) and sufficient resources and competence to comply with reporting requirements		- No requirement
Audit committee	- Required auditing committee		- Not required
Specialist issuer	- Independent expert report requirements for “specialist issuers” within inter alia mineral/mining, oil and gas may be required by the Oslo Stock Exchange		
Due diligence	- Full industry standard due diligence and Oslo Børs specific requirements		- Limited scope financial and legal due diligence
Prospectus	- Prospectus required		- Information document required. - Offering prospectus may be required

For companies seeking a dual listing in Norway, a simplified regime will apply for the regulated markets Euronext Oslo Børs and Euronext Expand provided that the listing in Norway is a secondary listing and the existing listing is on a recognized marked. Main exemptions for such secondary listings are:

	Euronext Oslo Børs & Euronext Expand
Audited interim report	- A limited scope audit of the most recent interim report will only be required if requested by Oslo Børs/Oslo Axess
Defined number of shareholders	- The requirement of number of shareholders apply; however only a minimum of 200 (Euronext Oslo Børs) or 100 (Euronext Expand) shareholders must have their shares registered with the VPS
Share price	- The requirement of minimum NOK 10 (Euronext Oslo Børs) or NOK 1 (Euronext Expand) per share does not apply
Take-over regulations	- The company can apply for exemption from the Norwegian takeover rules
Corporate governance code	- The company’s local corporate governance code can be adhered to instead of the Norwegian code of practice for corporate governance
Due diligence	- The Oslo Stock Exchange may exempt from their due diligence requirements

A dual listing on Euronext Growth Oslo will in general terms imply a normal listing process, but the existing listing could form the basis for establishing the company's market cap so that it will not necessarily be required that the company carry out a private placement or public offering in connection with the listing.

7. Are weighted voting rights in listed companies allowed in your market? What special rights are allowed to be reserved (if any) to certain shareholders after a company goes public?

Weighted voting rights and other special rights are not common in the Norwegian market. Such rights are however allowed and are, if used, most often implemented using share classes. In principle, organizational rights/voting, economic rights, and rights related to trading can also be implemented in Norwegian companies. Whether or not any right is allowed must be assessed on the basis whether the right conflict with listing criteria or the principle of equal treatment of all stakeholders. For example, special rights restricting free transferability of listed shares will not be allowed. Other rights that have been accepted in practice are different voting rights between classes and share classes with preferential rights in dividends and liquidation.

8. Is listing of SPAC allowed in your market? If so, please briefly describe the relevant regulations for SPAC listing.

The Norwegian FSA has not approved listing of special purpose acquisition companies (SPACS) in Norway, and there are currently no adapted prospectus or disclosure requirements for listing of SPACs. We understand that review of new rules is in process with both the Norwegian FSA and the Oslo Stock Exchange and we await further developments.

Currently, any SPAC listing would follow a normal listing process and the SPAC would be required to meet all listing criteria, resulting in any such application for listing likely to be denied.

9. Please describe the potential prospectus liabilities in your market.

The Norwegian FSA may impose penalty upon violation of the rules regarding prospectuses (this includes both EEA prospectuses and national prospectuses), as administrative sanctions. Legal entities may be subject to a violation penalty of up to NOK 47 million, or up to 3 percent of the total annual turnover according to the last approved financial statement of the entity. Natural persons may be subject to a violation penalty of up to NOK 7 million. The violation penalty may be up to two times the profit gained or the loss avoided as the result of the violation, if this results in a higher penalty than the calculation stated above.

Willful or negligent breach of the Prospectus Regulation's provisions on (i) the obligation to publish a prospectus, (ii) the content of the prospectus and (iii) the obligation to publish supplements to the prospectus, may be punishable as a criminal offence with fines or imprisonment up to one year. The same sanctions are available for the corresponding rules on Norwegian national prospectuses.

Further, contravention of the Prospectus Regulation may qualify as a fraudulent offence according to Norwegian criminal law, for which persons can be punished with a fine or imprisonment for up to two years. Misleading or incorrect information in a prospectus which leads to a loss for an investor in may also lead to civil liability for the persons responsible for the prospectus.

10. Please describe the key minority shareholder protection mechanisms in your market.

The main protection mechanisms for minority shareholders in companies listed on regulated market in Norway are the takeover rules. The fact that Euronext Growth Oslo is not a regulated market, and therefore the mandatory offer rules will not apply to companies listed there, represents an important difference from the Euronext Oslo Børs and Euronext Expand markets. The takeover rules seek to ensure that minority shareholders are offered an exit at the price paid for shares in a change of control in the listed company. Control changes are defined as acquisitions of defined portion of the voting rights of a company and a mandatory offer obligation will be triggered when these are passed.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

An additional minority protection mechanism rest with

the rules on compulsory acquisition applicable in Norwegian public and private companies where a shareholder holds 90% or more of the shares and votes. A 10 % or smaller minority has a right to demand a shareholder owning 90% or more to acquire the minority holding against cash settlement, with a corresponding right for the 90% or more majority to squeeze-out the minority. In relation to public takeover offers, the main rule is that the price in a squeeze out shall be the same as it would have been in a mandatory offer. However, the price shall be fixed at the real value of the shares and minority shareholders may require that the price is determined by Norwegian courts. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder.

11. What are the common types of transactions involving public companies that would require regulatory scrutiny and/or disclosure?

If a transaction triggers the obligation to prepare a prospectus pursuant to the Prospectus Regulation, the prospectus is subject to regulatory scrutiny by the Norwegian FSA. Transactions involving merger and acquisition (above 10%) of banks, insurance companies and other financial institutions, require an approval from the Financial Supervisory Authority of Norway. The same applies to acquisition (above 10%) of investment firms and management companies for securities funds.

A disclosure to the Norwegian Financial Supervisory Authority is required if an alternative investment fund ("**AIF**") acquires control of (a) a public company with shares admitted to trading on a regulated market, or (b) other public companies with the exception of issuers with fewer than 250 employees and whose turnover does not exceed an amount in Norwegian kroner equivalent to EUR 50 million, or balance sheet assets not exceeding an amount in Norwegian kroner equivalent to EUR 43 million, and with the exception of special purpose vehicles whose sole purpose is to loan, acquire or administrate real property. Furthermore, the same applies where an AIF's share of the votes of a company mentioned in (b) reaches, exceeds or falls below the thresholds of 10%, 20%, 30%, 50% and 75% of the voting rights of the company.

Further, transactions leading to change of control in a company (de jure and/or de facto) might be subject to a merger filing obligation to the Norwegian Competition Authority ("**NCA**"). Transactions leading to change of control typically includes acquiring 50% or more of the shares in a company, or by agreements or other means acquiring the right to exercise (positive or negative) control in a company.

A transaction is subject to merger filing obligation if (based on the latest audited annual reports)

i. at least two of the involved parties have an annual turnover in Norway exceeding NOK 100 million, and
ii. the involved parties have a combined turnover in Norway exceeding NOK 1 billion.

If the transaction satisfies the turnover thresholds of the EU or EFTA, the transaction should (generally) be notified to the respective authority.

When assessing whether a transaction is subject to a merger filing obligation, turnover is the only relevant measure. Thus, market shares, market overlaps or other factors are not relevant.

Further, the NCA might impose an obligation to file a merger notification even if a transaction does not meet the relevant thresholds, if the NCA finds that the transaction finds reasonable reason to assume that competition will be affected, or if special considerations indicate that a closer investigation might be required.

The NCA shall prohibit a transaction if it finds that the transaction will create or strengthen a significant restriction of competition.

All M&A activity in public companies which have been deemed to be inside information as defined in the Market Abuse Regulation, shall be publicly disclosed. The company shall without delay and on its own initiative publicly disclose such inside information. Further, any financing transaction are commonly disclosed and all changes in the company's equity or terms of any debt issue shall in general be disclosed.

The company may delay public disclosure of inside information in order not to prejudice its legitimate interests, provided that such delay does not mislead the public and provided that the information is managed confidentially. If the company has reason to believe that inside information for which public disclosure has been delayed is known to or about to become known to unauthorised parties, the company shall without delay and on its own initiative publicly disclose the information.

12. Please describe the scope of related parties and introduce any special regulatory approval and disclosure mechanism in place for related parties'

transactions.

For Norwegian public companies admitted to trading on a regulated market, 'related parties' has a broad scope. The definition comprises inter alia any person or a close member of such person's family if that person has control or joint control of a company, exercises decisive influence over the company or is board member or executive management of the company. Further, an entity is a related party if it is part of the same group, an associated company, both entities are controlled by the same third person, or a person as mentioned has control of the entity or exercises decisive influence of the entity or a key person in the entity's management.

Norwegian private companies (that may have shares admitted to trading on Euronext Growth Oslo), has a somewhat different scope of related parties but it is to a large extent overlapping with the corresponding regulation for public companies.

There are no regulatory approval mechanisms in place for related party transactions, solely as a result of the transaction being a related party transaction. Related party shall however, subject to applicable thresholds and exemptions, be approved by the board of directors and/or the general meeting of the company. In addition, a statement on the agreement shall be prepared and registered with the Norwegian Register of Business Enterprises (the "**Norwegian Business Register**").

Related parties' transaction in Norwegian public companies admitted to trading on a regulated market that are subject to the Norwegian Public Companies Act shall be disclosed to the market and published on the company's website.

Reporting of related party transactions is also relevant in relation to financial reporting. Companies who prepare financial statements in accordance with IFRS is subject to the obligation to disclose related party transactions according to IAS 24. Entities who prepare financial statements in accordance with Norwegian GAAP is subject to a similar obligation under the Norwegian Accounting Act.

13. What are the key continuing obligations of a substantial shareholder and controlling shareholder of a listed company?

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Securities Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

The disclosure requirements for large shareholdings do not apply to companies with shares admitted to trading on Euronext Growth Oslo. However, the company shall disclose if it becomes aware that a shareholder has become the owner of 50% or 90% of the shares in the company.

14. What corporate actions or transactions require shareholders' approval?

The following corporate actions require approval from the shareholders in a general meeting:

- Amendment of the articles of association;
- All resolutions regarding amendment of a company's share capital, e.g., share capital increase or decrease, issue of convertible loans or other financial instruments giving right to subscribe for shares such as warrants, and issuance of authorizations to the board of directors to make any such resolutions;
- Subscription for loans with interest that depends wholly or partly on the dividend distributed to the shareholders or on the company's result, and issuance of authorizations to the board of directors to make any such resolutions;
- Merger and demerger, and
- Dissolution

Further, in order to acquire own shares, the general meeting must have granted the board of directors of the relevant company an authorization to carry out such acquisition.

15. Under what circumstances a mandatory tender offer would be triggered? Is there any exemption commonly relied upon?

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market to make an unconditional general offer for the purchase of the remaining shares in that

company. Further, it is a repeated offer obligation if/when the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% and 50% or more of the votes in the company. A mandatory offer obligation may also be triggered where an acquisition of rights to shares effectively is an acquisition of the shares in question. Certain exemptions and division of jurisdictions apply in cross-boarder transactions. The mandatory offer obligation may be avoided if the person, entity, or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks.

There are no common exemptions from the mandatory offer requirements. However, some transactions, such as mergers, does not trigger the mandatory offer requirement. Any person, entity or consolidated group that has passed any of the thresholds in such a way as not to trigger the mandatory offer obligation and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of any subsequent acquisition of shares in the company increasing its voting power.

Mandatory offer requirements are not applicable for companies admitted to trading on Euronext Growth Oslo. However, in relation to acquisition of such companies, market practice is leaning towards a process similar to voluntary takeover offers for companies listed on Oslo Børs.

16. Are public companies required to engage any independent directors? What are the specific requirements for a director to be considered as “independent”?

For public companies applying to listing on a regulated market, at least two of the shareholder-elected members of the board of directors shall be independent of the company’s executive management, material business contacts and larger shareholders. This is only however a requirement upon listing and not a continuing obligation. Larger shareholders are shareholders holding more than 10%.

The evaluation of independence should be based on the provisions on independent board members in Commission Recommendation 2005/162/EC. In general, a director can be regarded as independent if he or she has no business, family or other relationships with the company or its controlling shareholder that might give rise to a conflict of interest that could affect the individual’s judgement.

It is recommended by the Norwegian Corporate Governance Board in its Code of Practice that a majority of the shareholder-elected members of the board of directors should be independent of the company’s executive personnel and material business contacts, and that at least two of the board members elected by the shareholders should be independent of the company’s main shareholder(s). The Norwegian Code of Practice is based on a comply or explain principle, and companies are not required to follow the recommendations but explain any deviation. Most companies listed on a regulated market in Norway therefore strives to act in compliance with the recommendations in the Norwegian Code of Practice, save for non-Norwegian companies that has elected to adhere to a similar local code of practice for corporate governance.

There are no similar requirements for independency for companies admitted to trading on Euronext Growth Oslo. However, it appears some Euronext Growth listed companies seeks to comply or adapt its organization to the Norwegian Code of Practice from a shareholder policy perspective.

17. What financial statements are required for a public equity offering? When do financial statements go stale? Under what accounting standards do the financial statements have to be prepared?

For public equity offerings subject to the Prospectus Regulation in companies not already listed on a regulated market (including Euronext Growth Oslo listed companies), financial statements for the last three years are required together with a half year report subject to limited scope audit if not comprised by the audited annual report. For secondary issuers on regulated markets, it is sufficient with financial statements for the last financial year together with a half year report subject to limited scope audit if not comprised by the audited annual report. Public offerings that are exempt from the Prospectus Regulation must be assessed on a concrete basis.

The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the prospectus registration document if the issuer includes audited interim financial statements in the registration document; and (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document. If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial

information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.

For companies applying for admission, or already admitted, to trading on a regulated market, financial statements must be prepared in accordance with IFRS (or other approved similar standard). For public offerings in companies applying for admission, or already admitted, to trading on Euronext Growth Oslo, it is sufficient that financial statements are prepared in accordance with local GAAP within the EEA. Outside the EEA.

18. Please describe the key environmental, social, and governance (ESG) and sustainability requirements in your market. What are they key recent changes or potential changes?

The Norwegian legislation on ESG is developing rapidly, on many aspects according to the EU ESG-legislation, but also with certain national distinctions. Below, we have given a brief overview on the most recent developments in the Norwegian ESG-legislation.

However, initially, certain well-established parts of the ESG-legislation is worth mentioning. Firstly, relating to environmental requirements, entities operating in Norway are subject to the Norwegian environmental legislation, which requires companies to have control on their impact on-, to implement measures to protect-, and to be transparent on, the environment and biological diversity. Essential environmental legislation includes the Pollution Control Act, the Nature Diversity Act and the Environmental Information Act. Secondly, concerning governance, all Norwegian limited liability companies are subject to the thorough governance requirements following from the Norwegian Private Limited Liability Companies Act or the Norwegian Public Limited Liability Companies Act, as well as the ESG-accounting requirements in the Norwegian Accounting Act. Thirdly, relating to social requirements, Norwegian companies' obligation to respect labor rights, data protection and to ensure non-discrimination is laid down in the Norwegian Working Environment Act, the Data Protection Act and the Equality and Anti-Discrimination Act, to a large extent corresponding to the EU legislation.

A key recent update concerning legal requirements on social sustainability is the Norwegian Transparency Act, codifying previous soft law-requirements. The Transparency Act entered into force 1 July 2022 and applies to all large- and medium sized companies having operation in Norway. The Transparency Act obliges the companies to respect and be transparent about fundamental human rights and decent working conditions. The companies comprised by the Transparency Act are obliged to ensure control of their own business and supply chain by conducting human rights due diligence, cf. the Transparency Act section 4. The human rights due diligence shall be risk based and proportional and shall be carried out in accordance with the OECD Guidelines for Multinational Enterprises. The Transparency Act also requires that the companies publish an account of their due diligence process, cf. the Transparency Act section 5, and that the companies answer information requests from "any person", cf. the Transparency Act section 6. It is in particular the wide scope of the human rights' due diligence (including the entire supply chain), and the transparency-requirements, that distinguishes the Norwegian legislation from other similar European legislation. The EU has also proposed a directive concerning companies' obligation to perform sustainability due diligence with similar scope, named the Corporate Sustainability Due Diligence Directive. If the directive will be adopted in 2024, as expected, it is also expected to lead to changes in the Norwegian Transparency Act.

Another important update concerning ESG-reporting, is the implementation of the EU Taxonomy Regulation and the EU Sustainable Finance Disclosure Regulation, through the Norwegian Act on Sustainability Disclosures for the financial sector, which entered into force 1 January 2023. The comprised entities are obliged to report their ESG statement for the financial year 2023, with final deadline 30 June 2024. The key requirements of the Norwegian act on sustainability disclosures for the financial sector are to require financial institutions to disclose information about their environmental, social, and governance (ESG) practices and risks. The Act on Sustainability Disclosures applies to all large companies which are comprised by the EU regulations, including financial institutions and large enterprises (public interest companies with more than 500 employees). The EU has recently adopted changes to the Taxonomy Regulation through the Corporate Sustainability Reporting Directive (CSRD), which expands the range of entities required to report and what those disclosures must cover. The Norwegian authorities are currently assessing how the new EU reporting legislation shall be sufficiently implemented into Norwegian law. It is expected that CSRD will lead to changes in the Norwegian Accounting Act.

19. What are the typical offering structures for issuing debt securities in your jurisdiction? Does the holding company

issue debt securities directly or indirectly (by setting up a SPV)? What are the main purposes for issuing debt securities indirectly?

The structure of a debt offering varies, depending on the specifics and purpose of the transaction. Unsecured debt issuances for general corporate purposes are normally done at parent company level, project financings (often secured transactions) are typically issued by an SPV project vehicle. In corporate structures with a more advanced capital structure, involving bank financing as well as bonds, the bonds are often issued by a holding company higher up in the structure than where the bank financing sits. This is done to structurally subordinate the bonds for the benefit of the other financing.

20. Are trust structures adopted for issuing debt securities in your jurisdiction? What are the typical trustee's duties and obligations under the trust structure after the offering?

Bonds issued in the Norwegian market are for all practical purposes issued with a bond trustee acting as the bondholders' representative towards the issuer of the bonds, including being the security agent in secure bond transactions. Its role is to monitor the rights of the bondholders, to follow up disclosure undertakings, compliance certificates with respect to financial covenants etc. Per the market practice documentation used in the Norwegian market, the bond trustee has the power and authority to act on behalf of the bondholders in all matters, including in enforcement situations (and per the same standard terms the individual bondholders are restricted from taking separate legal actions based on a "no-action" clause).

21. What are the typical credit enhancement measure (guarantee, letter of credit or keep-well deed) for issuing debt securities? Please describe the factors when considering which credit enhancement structure to adopt.

There is a wide range of variety with respect to credit enhancement measures taken in Norwegian bond deal. The most common are share pledges, floating charges over certain asset classes, pledge over bank accounts and intercompany receivables and other specific security interests, where relevant. Factors taken into account are inter alia ease of enforcement, relevant assets to take security over (which varies a lot), financial assistance restrictions and other legal restrictions. Corporate group members and their materiality also taken into account, typically through a guarantor coverage and material company test.

22. What are the typical restrictive covenants in the debt securities' terms and conditions, if any, and the purposes of such restrictive covenants? What are the future development trends of such restrictive covenants in your jurisdiction?

All restrictive covenants are deal specific. The most customary are negative pledge, financial indebtedness restrictions, financial support restrictions, restrictions on certain corporate actions (mergers and demergers), restrictions on acquisitions, disposal of assets, distributions of capital, in addition to other deal specific undertakings. Given the current challenging debt market we do not expect to see a trend towards easing of the level of restrictive covenants.

23. In general, who is responsible for any profit/income/withholding taxes related to the payment of debt securities' interests in your jurisdiction?

The bond investor will be responsible for its own profit/income tax. The issuer of the bonds is per the standard bond terms used in the Norwegian market responsible for withholding any applicable withholding tax.

24. What are the main listing requirements for listing debt securities in your jurisdiction? What are the continuing obligations of the issuer after the listing?

Bonds may be admitted to listing on Oslo Børs or Nordic ABM provided the bonds are assumed to be of public interest and are likely to be subject to regular trading, provided the following main listing criteria are fulfilled:

	Euronext Oslo Børs	Nordic ABM
Commercial criteria	- The size of the loan must be at least NOK 2 million or the equivalent value in foreign currency	
Freely transferable	- The bonds must be freely transferable	
Fully paid	- The bonds must be fully paid-up - The Oslo Stock Exchange may grant exemptions from the requirement that the bond must be fully paid up	
Registration	- Bonds must be registered with a central securities depository	
Guarantors	- The Oslo Stock Exchange can demand that any affiliate or third party guaranteeing payment of interest and shall, prior to the bonds being admitted to listing, enter into a statement of acceptance that regulates in detail the guarantor's responsibilities and duties in respect of the Oslo Stock Exchange.	
Audit committee	- Required - Practical exemptions may be available for subsidiaries that are issuers	- Not required
Financial reporting standard	- IFRS (or similar)	- IFRS not required
Additional requirements	- The Oslo Stock Exchange has the right to impose additional requirements on the borrower if this is deemed to be necessary for the protection of potential investors.	

Overview of certain key continuing obligations for bonds admitted to trading, assuming Norway is the home

member state within the EEA:

	Euronext Oslo Børs	Nordic ABM
Equal treatment	- The Issuer must treat holders of its bonds on an equal basis. - The issuer must not expose holders of its bonds to differential treatment that lacks a factual basis in the common interest of the issuer and the bondholders	
Inside information	- Immediate disclosure of inside information (may be delayed) and certain defined corporate actions, as well as extended disclosure on larger transactions - Disclosure, or delayed disclosure, of inside information shall be made pursuant to the Market Abuse Regulations	
Financial reporting	- The Issuer must make public annual reports in accordance with IFRS (or similar) - The Issuer must make public a half-yearly report for the first six months of the financial year - Certain exemptions may be available	-
Material matters	- List of material matters that must immediately be publicly disclosed: - Examples: · Any changes in the rights attaching to the Issuer's loan · Factors of material importance as regards changes in the borrower's ownership structure. · Change of debtor · Any change of the overall limit of the loan	-
Notices	- Any notice sent to bondholders must be published no later than the time at which such notice is distributed	

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