SUGGESTED CHANGES TO THE RULES AND REGULATIONS OF
NASDAQ OMX DERIVATIVES MARKETS

Implementation 26 November 2012
INTRODUCTION

This document contains a high level description of suggested changes to the Rules and Regulations of NASDAQ OMX Derivatives Markets (the “Rules”). Updates of the Rules are normally done twice a year with the purpose of introducing new functions and features as well as securing that the Rules are correct and reflect the current activities at NASDAQ OMX Derivatives Markets (“NASDAQ OMX”), but updates may also be made at other times if required.

This update of the Rules covers the following areas:

Clearing of OTC-traded interest rate derivatives
The changes are made to enable an expansion of NASDAQ OMX’s offering of clearing of OTC-traded interest rate derivatives denominated in SEK (or Generic Rates Instruments as they are called in the Rules). The main addition to the Rules is a new appendix (the Loss Sharing Rules) setting out the terms and conditions for an additional collateral pool in the waterfall available only to cover default losses from fixed income portfolios including Generic Rates Instruments (the Loss Sharing Pool). The Loss Sharing Pool is mandatory for clearing members which participate in clearing of Generic Rates Instrument.

The introduction of the Loss Sharing Pool coincide with the introduction of an updated, more comprehensive, Default Management Commitment Agreement (DMC III) that each clearing member participating in clearing of Generic Rates Instruments must enter into and that, among other things, sets out the member’s commitments towards NASDAQ OMX in the event of a default of another clearing member or Customer holding Generic Rates Instruments.

NASDAQ OMX has furthermore decided to increase the financial resources requirement in the Rules for members participating in clearing of Generic Rates Instruments.

Compensation Agreement
In connection with the expansion of NASDAQ OMX’s offering referred to above, a new appendix has also been added to the Rules, setting out the terms and conditions applicable between the parties in relation to a Clearing Listed transaction (for example a Generic Rates Instruments trade) which NASDAQ OMX has rejected following a technical registration for clearing by a member (Compensation Agreement). The Compensation Agreement is only applicable unless the parties
have agreed otherwise. The Compensation Agreement has been included in the Rules following an
the initiative of the Swedish Securities Dealers Association (Svenska Fondhandlareföreningen).

Introduction of new trading functionalities
The changes are made to reflect new functionalities in the trading system. These functionalities and
system enhancements have been implemented due to requests by members to increase trading
volumes.

Public Market Information
In addition to the above changes, NASDAQ OMX plans to amend section 1.11 of the Rules (Public
Market Information), with implementation 26 November 2012, to better reflect NASDAQ OMX’s
current market data practices. The changes will also harmonize the Rules with the Public Market
Information provisions in section 3.3.2 of the Nordic Member Rules. The full text of the changes is
not included in this email, but will be distributed at a later date. NASDAQ OMX is currently
consulting with the Swedish Securities Dealers Association on the specific wording of the changes.

For an exhaustive version of the suggested changes, please find the track-changes versions of the
Rules attached to the e-mail. Changes of editorial nature may not be set out in this document, but are
included in the track-changes versions of the Rules attached to the e-mail.

The updated Rules will be implemented on 26 November 2012.

GENERAL REGULATIONS (CHAPTER 1)
1) 1.9B; Change in relation to Clearing of OTC-traded interest rate derivatives. New
section added to make a reference to the new Loss Sharing Rules appendix.
2) 1.11; Change in relation Public Market Information. Full text changes will be distributed
at a later date. Please see above under “Public Market Information”.

TRADING REGULATIONS (CHAPTER 2)
3) 2A.12.4; Change in relation to new trading functionalities. Introduction of new trade
report types. This functionality is improved to facilitate a better trade reporting service for
members and to enable deferred publication, see 2A.12.8 below.
4) 2A.12.8; Change in relation to new trading functionalities. Introduction of Deferred
Publication. This functionality is introduced to facilitate for Members to handle the
execution of delta risk in a better way when entering into larger transactions outside of the Exchange’s exchange trading system.

CLEARING REGULATIONS (CHAPTER 3)

5) 3.2.1.3 and 3.2.2.3; Change in relation to Clearing of OTC-traded interest rate derivatives. The change is made to implement an increased financial resources requirement for clearing members (DCM and GCM) participating in clearing of Generic Rates Instruments.

6) 3.4.11; Change in relation to Clearing of OTC-traded interest rate derivatives. The changes are made in connection with the introduction of the new Compensation Agreement appendix.

7) 3.9.3; Change in relation to Clearing of OTC-traded interest rate derivatives. Change is made to clarify that protests (or terminations) relating to Generic Rates Instruments may also be requested via MarkitWire.

CONTRACTS SPECIFICATIONS (CHAPTER 4)

8) 4.11, 4.12, 4.15-19A, 4.24, 4.25, 4.39 and 4.40; Change in relation to Clearing of OTC-traded interest rate derivatives. These contract specifications are labelled as “Fixed Income Contracts” for the purposes of the new Loss Sharing Rules. The label has no relevance outside the Loss Sharing Rules.

9) 4.19A; An error is corrected under “Contract Base”.

10) 4.40, 4.42, 4.43 and 4.44; Change in relation to Clearing of OTC-traded interest rate derivatives. Changes have been made to clarify that a Clearing Member must be party to a Default Management Commitment Agreement covering the relevant currency in order to be eligible to register contracts for clearing.

DEFINITIONS


APPENDICES

12) New Appendix 7 (Compensation Agreement); Change in relation to Clearing of OTC-traded interest rate derivatives.

13) Appendix 16 (Trading and accessibility hours); Change in relation to new trading functionalities. This change is made to introduce a Post Trade session in index futures on
OMXS30, OMXC20CAP and OMXO20. This trading session is introduced to enable for members to use the Electronic Market Place when they need to execute additional transactions in connection to the Closing Call Auction.

14) Appendix 17 (Call Auction on Index futures); **Change in relation to new trading functionalities.** Deletion of the Uncross state in connection to the Closing Call Auction. This change is made due to the introduction of the Post Trade session and Deferred Publication. The change does not have any material impact to the Call Auction, it is rather the introduction of the new Post Trade sessions and the release of deferred orders leading to the fact that the Uncross takes place in the transition to a new session.

15) Appendix 18 (Deferred Publication); **Change in relation to new trading functionalities.** New appendix regarding deferred publication, i.e. emanating from the new section 2A.12.8 of the Rules.

16) New Appendix 27 (Loss Sharing Rules). **Change in relation to Clearing of OTC-traded interest rate derivatives.**