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

Implementation 15 May 2013
This document contains a description of suggested changes to Chapter 2A (Trading Rules regarding Exchange Listed Derivatives), Chapter 3 (Clearing Regulations) and the Definitions of the Rules and Regulations of NASDAQ OMX Derivatives Markets (the “Rules”). It also explains the introduction of a new Appendix 6A to the Rules.

Background to and summary of the proposed changes
NASDAQ OMX Clearing is planning to introduce an amendment to the Rules that enables members trading and clearing commodities products (mainly Nordic power) to use an alternative broker structure to the one already offered for financial instruments. In summary, the new broker structure means that an appointed and approved broker can allocate trades in commodities products directly to the account of a clearing member. To be able to this the broker must (i) be appointed as a broker by the clearing member, and (ii) enter into an agreement with the clearinghouse. This model is standard for the Nordic power market but currently only implemented for members of NASDAQ OMX Commodities.

The rationale behind this change is that NASDAQ OMX Clearing has introduced an option for members of NASDAQ OMX Financials to clear commodities contracts via their membership of NASDAQ OMX Derivatives Markets. In order to create efficiency for the market participants we need to allow brokers to offer services in the same way to members both on the financial and commodities part of the clearinghouse.

Please note that this change in no way affects the structure currently used for financial instruments (equity and fixed income derivatives).

We would like to implement this change on 15 May 2013. The reason for the short time frame is primarily to enable members active in the commodities segment to find effective solutions for their trading and clearing with NASDAQ OMX Clearing.

Proposed changes
For an exhaustive version of the proposed 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 attached. The changes and their expected implications can be summarized as follows:
TRADING RULES REGARDING EXCHANGE LISTED DERIVATIVES (CHAPTER 2A)

- 2A.12.2. The change is made to clarify the reporting requirements for Clearing Members.

CLEARING REGULATIONS (CHAPTER 3)

- 3.1.10. New section is included to describe the possibility for the Clearing Member to appoint a COM Broker to submit COM OTC Transactions for registration on behalf of the Clearing Member. This paragraph stipulates the requirements for the COM Broker in relation to the submission of COM OTC Transactions and that the Clearing Member is responsible for all actions taken by the COM Broker in relation to the Clearing House.

DEFINITIONS

- Introduction of three new definitions; COM Broker, COM Broker Agreement and COM OTC Transaction.

APPENDIX 6A

- A new appendix 6A (COM Broker Agreement) is introduced. The appointed COM Broker must enter into this agreement with the Clearing House to be able to submit COM OTC Transactions on behalf of a Clearing Member. The agreement contains inter alia reporting requirements and rules regarding prohibition of market manipulation.