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CHAPTER 2

2.1 Clearing Operations

General

2.1.1 The Clearing House clears, where applicable, transactions in Instruments with respect to the following Sub-Markets:

Equity Market
The share-related derivatives Sub-Market

Fixed-income Market
The fixed-income-related derivatives Sub-Market

Currency Market
The currency-related derivatives Sub-Market

Commodities Market
The commodity-related derivatives Sub-Market

2.1.2 The regulations set forth in this chapter cover all Sub-Markets unless otherwise stated.

2.1.3 Clearing Members participate in clearing operations through being connected to the Clearing System for the relevant currency in a Sub-Market. In order to be connected, a Clearing Member must fulfil the requirements governing the Sub-Market.

2.1.4 The Clearing House accedes as a party in the clearing operations (counterparty clearing). The Clearing House becomes a seller in relation to the buyer and a buyer in relation to the seller and thereby assumes all of the rights and obligations in accordance with the relevant Contract and the Clearing Rules. The Clearing House’s accession as a party is designated as Registration.

2.1.5 A Customer is represented in the clearing operations by a Clearing Member and such Clearing Member is liable for the obligations of each of its Customers in accordance with section 2.12. However, a Customer remains fully liable vis-à-vis the Clearing House for the performance of its obligations.
2.1.6 Customers and Clearing Members shall provide satisfactory Collateral for their respective undertakings. The purpose of the Collateral is to ensure that Customers and Clearing Members can perform their obligations in accordance with the Clearing Rules and that the clearing operations can thereby be conducted in a satisfactory manner.

2.1.7 The Clearing House’s risk position must always be balanced.

### Registration

2.1.8 The Clearing House accedes as a party to all Transactions through Registration. Registration means that the Transactions become Contracts which are Recorded on accounts at the Clearing House.

Registration normally takes place in the following manner:

- **(i)** Exchange Transactions in Instruments that are both Exchange Listed and Clearing Listed and which are executed via EMP or MPS, in accordance with the Exchange Rules, are automatically Registered at the Clearing House in accordance with Section 2.5.

- **(ii)** Exchange Transactions in Instruments that are both Exchange Listed and Clearing Listed and which are executed via the Combined COM Block Trade Facility, in accordance with the Exchange Rules, are Registered at the Clearing House in accordance with the COM Block Trade, COM EFP and COM EFS Clearing Procedures.

- **(iii)** Transactions in Instruments that are both Exchange Listed and Clearing Listed and that are entered into outside EMP, MPS or the Combined COM Block Trade Facility must be notified to the Clearing House for Registration. Registration takes place in accordance with section 2.5 if, in the Clearing House’s opinion, such does not violate the Clearing Rules or sound clearing operations.

- **(iv)** COM Third Party Exchange Transactions and COM Non Exchange Transactions shall be Registered in accordance with the COM Third Party Exchange Transaction Clearing Procedures and the COM Non Exchange Transaction Clearing Procedures, respectively.

- **(v)** Transactions (other than COM Third Party Exchange Transactions and COM Non Exchange Transactions) in Clearing Instruments that are not Exchange Listed, as well as TM-Cleared Instruments that are notified to the Clearing House for Registration, shall be Registered in accordance with section 2.4 provided that, in the Clearing House’s opinion, such does not violate the Clearing Rules or sound clearing operations.
2.1.9 A COM Broker is entitled to submit COM OTC Transactions for Registration on behalf of a Clearing Member if the Clearing Member has appointed such entity as its COM Broker. A Clearing Member wishing to utilise a COM Broker must appoint the COM Broker using a standard appointment form as prescribed by the Clearing House from time to time.

The submission of COM OTC Transactions and all other actions and obligations connected to the submission shall be subject to and carried out in accordance with the limitations, provisions and procedures provided for in the Clearing Rules and the COM Broker Agreement. The Clearing House may take such actions against the Clearing Member and such Clearing Member’s COM Brokers as are provided for in the Clearing Rules and the COM Broker Agreement, as applicable, in the event of breach of the Clearing Rules or the COM Broker Agreement by the Clearing Member or the COM Broker, as applicable. The Clearing Member is responsible for all actions taken by the COM Broker in relation to the Clearing House, irrespective of whether the action was taken with or without authorisation.

2.1.10 The Clearing House retains the right to make an assessment in each individual case whether a Transaction executed in accordance with sections 2.1.8 (i)-(v) fulfils the requirements imposed by the Clearing House for Registration and also that any restrictions imposed by the Clearing House have not been exceeded.

2.1.11 The legal consequences of a Registration on an account at the Clearing House are based on contractual principles and are not covered by the provisions of the Financial Instruments Accounts Act (SFS 1998:1479).

Transfer Orders

2.1.12 A Transfer Order regarding Registration of a Transaction shall be deemed placed in the Clearing System at the time the Transaction is Registered in accordance with section 2.1.8. A Transfer Order may not be revoked by a Clearing Member after Registration has taken place.

Contracts

2.1.13 During the term of a Contract, the Contract results, inter alia, in the occurrence of one or several contract events which entail rights and obligations for the parties. An account holder’s rights and obligations are set forth on the Clearing Account or Integrated Trading and Clearing Account on which the Contracts are Recorded. When determining the rights and obligations, the Clearing House takes into consideration other Contracts Recorded on the same Clearing Account or the same Integrated Trading and Clearing Account, as
applicable.

Fees

2.1.14 Members and Customers shall pay fees to the Clearing House in accordance with the Fee List in force from time to time.

2.1.15 Fees shall become due and payable in accordance with the Clearing House’s instructions. Clearing Members are liable for the payment by their Customers of fees to the Clearing House.

Business Hours

2.1.16 Established business hours in the Clearing System are set forth in appendix 4 (Trading and Accessibility Hours). During the times at which the Clearing System is open, administrative measures such as Re-Registration and Exercise may take place.

2.2 Clearing Membership Requirements and Back Office Personnel

2.2.1 The GCM shall meet the following membership requirements.

General Conditions for Clearing Membership as a GCM

2.2.1.1 A GCM shall be a legal entity that:

(i) (a) if it has its home state within the EEA, is licensed to conduct investment business pursuant to the legislation of the home state – provided that the home state has implemented Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (MiFID) - or

(b) otherwise, in its home state, is licensed to conduct investment business and therein is subject to satisfactory supervision equivalent to what follows from MiFID; and

(ii) (a) if it, or a company within the same group, has its home state within the EEA, is licensed, pursuant to the legislation of the home state – provided that the country in question has implemented Directive 2006/48/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions (the Banking coordination directive) – to conduct the business as stated in sections 1, 2, 4, 6 and 7 of Annex 1 to the Banking coordination directive, or
Suitability Requirement

2.2.1.2 A GCM must possess from time to time a suitable organisation, necessary risk management routines, secure technical systems, and also otherwise, in the Clearing House’s opinion, be suitable to participate in clearing operations. The organisation, risk management routines, and technical systems must correspond to the operations conducted by the GCM at the Clearing House.

Financial Requirements

2.2.1.3 A GCM must possess financial resources which, from time to time, correspond to the operations intended to be conducted at the Clearing House, however not less than an amount equal to restricted equity of SEK 200 million. A GCM that participates in clearing of Generic Rates Instruments must possess financial resources corresponding to not less than an amount equal to restricted equity of SEK 500 million.

Technical Requirements

2.2.1.4 A GCM must be electronically connected to the Clearing House’s Clearing System through technical connections in accordance with the provisions of section 1.14. During a transition period, a GCM may be granted an exemption from the technical connection requirements.

Other Requirements

2.2.1.5 A GCM must possess from time to time the settlement possibilities required for participation in the clearing of those Instruments in which the GCM participates with regard to clearing. Information with regard to settlement of contracts is set forth in the relevant contract specification.

2.2.1.6 A GCM shall at all times have in place at least one designated contact person responsible for clearing- and settlement-related issues who shall be available to the Clearing House, and also at least one substitute for such contact person(s). The GCM shall notify the Clearing House about contact details with regard to such contact person(s) and substitute(s).

2.2.1.7 A GCM shall at all times have at least two employees who fulfil the requirements applicable to Back Office Personnel.
Termination of Membership

2.2.1.8 The Clearing House may terminate membership in the event a GCM no longer fulfils the membership requirements.

2.2.1.9 GCM shall be entitled to terminate membership in accordance with the rules, and subject to the period of notice of termination, set forth in the Clearing Member Agreement.

Back Office Personnel

2.2.1.10 GCM participate in clearing through Back Office Personnel who must be employees of the GCM.

A GCM may also apply to the Clearing House that an NCM shall be granted the right to access the Clearing System, whereby the NCM either (i) may be granted a right to solely access clearing information or (ii) undertake registration measures in the Clearing System. The application shall be submitted on a standard form provided by the Clearing House. If the NCM is granted a right to undertake registration measures in the Clearing System, the GCM is responsible for all actions taken via the NCM’s connection to the Clearing System, irrespective of whether the action was taken with or without authorisation. An application for an NCM to undertake registration measures in the Clearing System may only be granted if the requirements stipulated in section 1.13.4 are fulfilled.

All references to Clearing Members in the Clearing Rules in relation to registration measures shall apply equally to an NCM that has been granted the right to undertake registration measures in the Clearing System by a GCM pursuant to this section 2.2.1.10, however without limiting the liability of such GCM.

2.2.1.11 GCM shall be responsible for all actions taken by Back Office Personnel or other parties via the GCM connection to the Clearing System irrespective of whether the action was taken with or without authorisation. A GCM shall ensure that each registration measure in the Clearing System complies with the Clearing Rules. GCM shall ensure that the personal user identification of the Back Office Personnel is stated in each individual registration measure.

Requirements for Back Office Personnel

2.2.1.12 A GCM shall be responsible for ensuring that its Back Office Personnel are suitable for their duties including that such personnel:

(i) Have studied and understood the Back Office self-study material provided by the
CLEARING RULES  
OF NASDAQ OMX DERIVATIVES MARKETS

Clearing House and possess knowledge of the Clearing System, including any application used to access it:

(ii) Promptly take part of any updated Back Office self-study material provided by the Clearing House; and

(iii) Possess general knowledge of the derivative products of the Clearing House.

2.2.1.13 Under special circumstances, the Clearing House may grant exemptions from the requirements applicable to Back Office Personnel.

Clearing undertaking

2.2.1.14 A GCM that has entered into a Clearing Agreement with an NCM regarding clearing of the NCM’s transactions shall make sure that the Clearing House receives a copy of a duly executed Clearing Agreement. Irrespective of the aforesaid the Clearing House may demand a copy of a duly executed Clearing Agreement from the GCM.

2.2.1.15 If a GCM which has entered into a Clearing Agreement with an NCM regarding clearing of the NCM’s transactions wants to cease clearing the NCM’s transactions, the following shall apply: The GCM shall notify the Clearing House about the cessation. When the Clearing House has received such notification it shall as soon as possible, and not later than 30 minutes thereafter, make sure that new transactions by the NCM in question are no longer Registered or Recorded on an account administrated by the GCM. If the notification is made by phone, authorised personnel of the GCM shall promptly confirm the notification in writing on a form provided by the Clearing House.

2.2.2 The DCM shall meet the following membership requirements

General conditions for membership as a DCM

2.2.2.1 A DCM shall be a legal entity which:

(i) if it has its home state within the EEA, is licensed to conduct investment business pursuant to the legislation of the home state – provided that the home state has implemented Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (MiFID); or

(b) otherwise, in its home state, is licensed to conduct investment business and therein is subject to satisfactory supervision equivalent to what follows from MiFID.

Clearing membership as a DCM may also be granted to Riksbanken (the Central Bank of Sweden) and Riksgäldskontoret (the National Debt Office).
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Suitability requirement

2.2.2.2 DCM must possess from time to time a suitable organisation, necessary risk management routines, secure technical systems and also otherwise, in the Clearing House’s opinion, be suitable to participate in clearing operations. The organisation, risk management routines and technical systems must correspond to the operations conducted by the DCM at the Clearing House.

Financial requirements

2.2.2.3 A DCM must possess financial resources which, from time to time, correspond to the operations intended to be conducted at the Clearing House, however not less than an amount equal to restricted equity of SEK 10 million. A DCM that participates in clearing of Generic Rates Instruments must possess financial resources corresponding to not less than an amount equal to restricted equity of SEK 500 million.

Technical requirements

2.2.2.4 A DCM must be electronically connected to the Clearing House’s Clearing System, through technical connection in accordance with the provisions of section 1.14. During a transition period, DCM may be granted an exemption from the technical connection requirement.

Clearing Possibilities

2.2.2.5 DCM must possess from time to time the settlement possibilities required for participation in clearing of those Instruments in which the DCM participates with regard to clearing. Information with regard to settlement of contracts is set forth in the relevant contract specifications for the respective Instrument.

Other requirements

2.2.2.6 The DCM shall at all times have in place at least one designated contact person responsible for clearing and settlement-related issues who shall be available to the Clearing House, and also at least one substitute for such contact person (s). The Clearing House shall be notified of contact details with regard to such contact person(s) and substitute(s).

2.2.2.7 The DCM shall at all times have at least two employees who fulfil the requirements
Termination of membership

2.2.2.8 The Clearing House may terminate membership in the event a DCM no longer fulfils the membership requirements.

2.2.2.9 DCM shall be entitled to terminate membership in accordance with the rules, and subject to the period of notice of termination, set forth in the Clearing Member Agreement.

Back Office Personnel

2.2.2.10 DCM participates in clearing through Back Office Personnel who must be employees of the DCM.

2.2.2.11 The DCM shall be responsible for all actions taken by Back Office Personnel or other parties via the DCM’s connection to the Clearing System, irrespective of whether the action taken was taken with or without authorisation. The DCM shall ensure that each registration measure in the Clearing System complies with the Clearing Rules. The DCM shall ensure that the personal user identity of the Back Office Personnel is stated in conjunction with each individual registration measure.

Requirements for Back Office Personnel

2.2.2.12 The DCM shall be responsible for ensuring that Back Office Personnel are suitable for their duties including that such personnel:

(i) Have studied and understood the Back Office self-study material provided by the Clearing House and possess knowledge of the Clearing System, including any application used to access it:

(ii) Promptly take part of any updated Back Office self-study material provided by the Clearing House; and

(iii) Possess general knowledge in derivative products of the Clearing House.

2.2.2.13 Under special circumstances, the Clearing House may grant an exemption from the requirements applicable to Back Office Personnel.

2.3 Clearing Listing

2.3.1 The Clearing House is entitled to list or de-list Clearing Listed Instruments where, in the Clearing House’s opinion, the conditions for the same are satisfied. The Clearing House lists Clearing Listed Instruments with the Expiration Months and the Term set forth in the
Quotation List. In conjunction with Clearing Listing of an Instrument, the Clearing House determines whether the conditions for a suitable administration and risk management of such Instrument is satisfied, taking into consideration market conditions and circumstances in general.

2.3.2 After the Clearing House has approved an Instrument for Clearing Listing, the Clearing House lists the Instrument in question in one or several Clearing Series in order to facilitate Registration.

2.3.3 In conjunction with Clearing Listing of new Clearing Series with respect to a Contract Base previously approved for Clearing Listing, no new assessment takes place of the Contract Base. Clearing Listing of new Clearing Series does not affect any previous Clearing Listed Series.

De-Listing

2.3.4 The Clearing House may decide to de-list a Clearing Series, provided that no Contracts are Recorded in the Clearing Series in question and a de-listing is in accordance with market conditions and circumstances in general.

2.3.5 If the conditions for the maintenance of suitable clearing with respect to a specific Contract Base are not satisfied, e.g. where the Contract Base consists of a specific share and the share is de-listed, the Clearing House may, in addition, decide that Clearing Listing with respect to all Clearing Series with the relevant Contract Base shall cease, provided that such de-listing is in accordance with market conditions and circumstances in general. The Clearing House is, for example, entitled to de-list a specific Series provided that no Contracts exist in the Series in question. In conjunction with de-listing, the Clearing House may determine a new Expiration Day for Series and Recorded Contracts.
2.4 Clearing Listed Instruments and TM-Cleared Instruments

2.4.1 General

The Instruments that are subject to clearing at the Clearing House may be Clearing Listed Instruments or TM-Cleared Instruments. The Clearing Listed Instruments are set forth in the Quotation List in force from time to time.

2.4.2 Clearing Listed Instruments

A Clearing Listed Instrument is an Instrument cleared by the Clearing House and the terms and conditions of which are primarily standardised in accordance with the relevant contract specification, see Chapter 3.

Transactions in Exchange Listed and Clearing Listed Instruments

2.4.3 Exchange Listed Instruments are always Clearing Listed. Such Instruments are Registered automatically when an Exchange Transaction takes place and are automatically subject to Clearing. Transactions relating to Exchange Listed Instruments are Registered in accordance with section 2.5.

Transactions (other than COM Third Party Exchange Transactions or COM Non Exchange Transactions) in Clearing Listed Instruments that are not Exchange Listed

2.4.4 Transactions (other than COM Third Party Exchange Transactions and COM Non Exchange Transactions) in Clearing Listed Instruments that are not Exchange Listed and that are executed by a Clearing Member are Registered by the Clearing House following an approved application. Applications for Registration take place through the Clearing Member’s electronic connection to the Clearing System, by fax or by email to the Clearing House. The application shall state the terms and conditions of the Transaction, e.g. the agreed price, volume, and other details required by the Clearing House from time to time. Applications shall be made as soon as possible following the execution of the Transactions. In order for the Transaction to be Registered by the Clearing House, the agreement must be confirmed by the contracting parties stated in the application. Certain applications for Registration will also be subject to Prenovation Checks as set forth in section 2.4.10a.

Transactions in Clearing Listed Generic Rates Instruments which are executed by a Clearing Member and submitted for registration in the Clearing System through a system approved by the Clearing House for executing Generic Rates Instruments, currently
Transactions in Clearing Instruments that are not Exchange Listed, and for which the Co-Operating Exchange is the Primary Exchange shall, if the Transaction is to be submitted for clearing, be Registered electronically within the following time limits:

(i) Transactions that are concluded within the trading hours of the Co-operating Exchange, or 15 minutes or less before the start of such trading hours, shall be reported within 15 minutes after the Transaction is concluded; and

(ii) Transactions that are concluded outside the trading hours of the Co-operating Exchange, except those which are concluded 15 minutes or less before the start of such trading hours, shall be reported before the trading hours of the Co-operating Exchange recommence.

Transactions in Generic Rates Instruments may only be Registered by a Clearing Member that has entered into a Default Management Commitment. Moreover, Transactions in such Instruments executed on behalf of a Customer may only be Registered on a Direct Pledging Customer’s Trading Account for Generic Rates Instruments which is administered by a Clearing Member that has entered into a Default Management Commitment and may not be Registered on an Indirect Pledge Account. A Trading Account for Generic Rates Instruments must be connected to a Clearing Account administered by a Clearing Member that has entered into a Default Management Commitment.

COM Third Party Exchange Transactions are subject to Clearing pursuant to the COM Third Party Exchange Transaction Clearing Procedures.

Upon the Registration of a Transaction in accordance with the COM Third Party Exchange Transaction Clearing Procedures, corresponding Contracts are Recorded in accordance with Section 2.1.8.
COM Non Exchange Transactions

2.4.4d Clearing Members may request Clearing of COM Non Exchange Transactions in accordance with the COM Non Exchange Clearing Procedures.

2.4.4e Upon the Registration of a Transaction in accordance with the COM Non Exchange Clearing Procedures, corresponding Contracts are Recorded in accordance with Section 2.1.8.

TM Cleared Instruments

2.4.5 A TM-Cleared Instrument is an Instrument that is cleared by the Clearing House and for which the terms and conditions are not standardised in accordance with any contract specification, but rather are determined by the parties that executed the Transaction in question.

2.4.6 Transactions in TM-Cleared Instruments executed by a Clearing Member are Registered by the Clearing House following an approved application. Applications for Registration take place through the Clearing Member’s electronic connection to the Clearing System, via fax or email to the Clearing House. The application shall state the terms and conditions of the Transaction, e.g. the agreed price, volume, and other details required by the Clearing House from time to time. Applications shall be made as soon as possible following the execution of the Transaction. In order for the Transaction to be Registered by the Clearing House, the agreement must be confirmed by the contracting parties stated in the application.

2.4.7 Where the conditions for the maintenance of suitable clearing with respect to a particular Contract Base are not satisfied, for example where the Contract Base consists of a particular share and the share is de-listed, the Clearing House may also decide that Registration of all TM-Cleared Instruments with the relevant Contract Base shall be terminated, provided that such de-registration is in accordance with market conditions and circumstances in general. In conjunction with de-registration, the Clearing House may determine a new Expiration Day for executed Contracts.

2.4.8 TM-Cleared Instruments follow the rules in the Clearing Rules applicable to Clearing Listed Instruments with respect to the same Contract Base, unless otherwise set forth in the terms and conditions governing the Instrument.

Miscellaneous
Applications for Registration submitted via the Clearing Member’s electronic connection may, however, only be made when the Clearing System is open.

Unless stated otherwise in any relevant COM Clearing Procedures, an application for Registration that reach the Clearing House when the Clearing System is open and that are accepted by the Clearing House shall be Registered on the same Bank Day. Applications for Registration that reach the Clearing House at other times shall be Registered by the Clearing House on the following Bank Day. The aforementioned shall apply to applications for Registration submitted when the Clearing System is open but in respect of which, at the time of the application, there is insufficient data for the Clearing House to determine whether the application shall be accepted.

The following shall only apply to applications for Registration in Generic Rate Instruments.

As soon as an application for Registration has been confirmed by both parties involved in accordance with Section 2.4.4, the Clearing House shall carry out Prenovation Checks.

If the relevant Prenovation Checks are passed, the Clearing House shall approve the application, Register the relevant Transaction and Record the corresponding Contract.

If any relevant Prenovation Check is not passed, the Clearing House shall either a) decide (at its sole discretion) to approve the application, Register the relevant Transaction and Record the corresponding Contract, or b) immediately notify the relevant Clearing Member(s), and inform them of the amount of extra Collateral (if any) that needs to be posted to pass the Prenovation Check.

Once the Clearing House has notified a Clearing Member (in respect of Customer Accounts, the relevant Trading Account Administrator) that the Prenovation Check has failed in accordance with the above, extra Collateral may be posted.

At any point after the Clearing House has notified a Clearing Member that the Prenovation Check has failed in accordance with the above, such Clearing Member may request that the Clearing House carry out new Prenovation Checks. The Clearing House normally re-runs Prenovation Checks at its own initiative, but has no obligation to re-run Prenovation Checks unless requested by the relevant Clearing Member.

If, after the Clearing House has notified a Clearing Member that the Prenovation Check has failed in accordance with this section 2.4.10a, and the Clearing House re-runs Prenovation Checks and they are passed, the Clearing House approve the application, Register the relevant Transaction and Record the corresponding Contract.
If, at the end of the Clearing System’s opening hours on the same Bank Day as the application for Registration was received by the Clearing House, the Prenovation Checks have not been passed, the Clearing House shall reject the relevant application for Registration. Any rejection under this paragraph shall be treated as a Rejection under (and as defined in) section 2.4.11.

Once an application for Registration has been approved, the relevant Transaction has been Registered and the corresponding Contract has been Recorded following Prenovation Checks in accordance with this section 2.4.10a, it cannot be rejected by the Clearing House under section 2.4.11.

2.4.11 The Clearing House may reject a request for Registration (a “Rejection”) in respect of a Transaction (other than a COM Block Trade, a COM EFP, a COM EFS, a COM Non Exchange Transaction or a COM Third Party Exchange Transaction) entered for clearing (the “Rejected Transaction”) where, in the Clearing House’s opinion, Registration would violate the Clearing Rules or sound clearing operations. In the event of a Rejection, the Clearing House shall as soon as practically possible notify either (i) the member (if only one of the parties to the Rejected Transaction is a member, in which case such party shall be the “Affected Party”), or (ii) both members (if both parties to the Rejected Transaction are members, in which case both parties jointly shall be the “Affected Parties”). Where an Affected Party registers the Rejected Transaction in the Clearing System or through a system approved by the Clearing House for executing Generic Rates Instruments, currently MarkitWire, the Rejection shall be notified to the Affected Party by the Clearing House not later than 120 minutes following the attempted technical registration of the Rejected Transaction in the Clearing System (the “Rejection Period”); in turn, the Affected Party should inform their counterparty as soon as practically possible. For the avoidance of doubt, if a Rejection is made on account of either of two Affected Parties to a Rejected Transaction, the Rejection Period shall start running from when the Rejected Transaction was submitted for technical registration by the Affected Party first making such submission.

A Rejected Transaction will, unless otherwise agreed between the parties to such transaction, be subject to the terms and conditions set out in appendix 11 of the Clearing Rules.

The Registration and rejection process in respect of COM Block Trades, COM EFPs, COM EFSs, COM Non Exchange Transactions and COM Third Party Exchange Transactions is set out in the relevant COM Clearing Procedure.

2.4.12 Registration of a Transaction in Clearing Listed Instruments that are not Exchange Listed and TM Cleared Instruments shall have the effect which is set forth in section 2.1.4.
2.5 Registration of Exchange Transactions

2.5.1 Exchange Transactions are automatically subject to clearing at the Clearing House, pursuant to the Exchange Rules. An Exchange Transaction executed via the EMP, in accordance with the Exchange Rules, is Registered at the Clearing House immediately after the Exchange Transaction is matched at the Exchange, whereupon a Contract is simultaneously entered into in accordance with section 2.1.8. An Exchange Transaction executed manually via MPS, in accordance with the Exchange Rules, is Registered at the Clearing House as soon as possible following the time the Exchange Transaction is matched at the Exchange, whereupon a Contract is simultaneously entered into in accordance with section 2.1.8. The Exchange will provide the Clearing House with information of all Exchange Transactions registered in EMP or MPS, including the terms of each Exchange Transaction and the parties involved. The Clearing House shall register the Exchange Transactions on a Trading Account or Integrated Trading and Clearing Account of the relevant parties following such notification, whereby the Exchange Transaction is replaced with one or more Contracts.

Registration of Exchange Transactions entered into through the Combined COM Block Trade Facility

2.5.1a The Exchange and the Co-Operating Exchange will provide the Clearing House with information of all Transactions registered in the Combined COM Block Trade Facility, including the terms of each Transaction and the parties involved.

Registration of transactions entered into outside of EMP or MPS or the Combined COM Block Trade Facility the Exchange’s exchange trading system

2.5.1b The Clearing House shall follow the procedure set out in the COM Block Trade, COM EFP and COM EFS Clearing Procedures in respect of Transactions that are entered into through the Combined COM Block Trade Facility.

2.5.2 Following the execution of an Exchange Transaction outside of EMP, MPS or the Combined COM Block Trade Facility the Exchange’s exchange trading system and notification to the Exchange in accordance with the Exchange Rules, the Exchange will provide the Clearing House with information relating to such Exchange Transaction, including the terms of such Exchange Transaction and identity of the parties involved in accordance with the Exchange Rules. Registration then takes place automatically when the Exchange Transaction has been matched at the Exchange, whereupon a Contract is simultaneously entered into in accordance with section 2.1.8.
Protests against Exchange Transactions under the Exchange Rules

2.5.3 Protests against Exchange Transactions may be made in accordance with, and within the time limit provided in, the Exchange Rules. Any changes or cancellation to an Exchange Transaction pursuant to the Exchange Rules or the COM Trading Rules will trigger a corresponding change or cancellation of the Transaction Registered (and Contract Recorded) with the Clearing House. Protests against the Registration of Transactions may be made in accordance with, and within the time limit for such Protests set forth in section 2.10.

Right of Clearing House to reject Registrations

2.5.4 Notwithstanding anything to the contrary in this Chapter and subject to the provisions of any relevant COM Clearing Procedures, the Clearing House is entitled to reject a Registration of Transactions (including Transactions in Instruments for which the Co-Operating Exchange is the Primary Exchange), if it determines that such Registration would violate the Clearing Rules or sound clearing operations. In the event a Registration is rejected, the Clearing House shall notify the relevant Clearing Member as soon as possible and no later than 120 minutes following the Registration of the Transaction in the Clearing System.

Effect of Registration

2.5.5 Registration of an Exchange Transaction regarding Instruments which are traded on the Exchange shall have the effect which is set forth in section 2.1.4.

2.6 Accounts

General

2.6.1 Accounts with the Clearing House are categorised as House Accounts, Customer Accounts and Client Accounts depending on account holder and intended use.

A House Account is an account with a Clearing Member as account holder, intended for clearing of Transactions entered into by such Clearing Member on its own behalf.

A Customer Account is an account with a Customer as account holder, intended for clearing of Transactions entered into by a Clearing Member on behalf of such Customer.

A Client Account is an account with a Clearing Member as account holder, intended for clearing of Transactions that reflect equivalent transactions made between such Clearing Member and one or more of its Clients.
Accounts are opened following a request by the Clearing Member as further set out below.


2.6.2 According to operational and technical functionalities, accounts provided by the Clearing House are called Trading Accounts, Clearing Accounts or Integrated Trading and Clearing Accounts.

Transactions approved for Registration by the Clearing House are Registered on Trading Accounts or Integrated Trading and Clearing Accounts whereby the Transaction is replaced with one or more Contracts. Contracts that are Recorded on one or several Trading Accounts connected to a Clearing Account are Recorded on such Clearing Account. The rights and obligations of a specific account holder are also set forth on a Clearing Account.

2.6.3 A Trading Account may be connected to a Clearing Account or to an Integrated Trading and Clearing Account, however not to a Customer’s Integrated Trading and Clearing Account (an Indirect Pledge Account).

2.6.4 A combined Trading and Clearing Account is referred to as an Integrated Trading and Clearing Account.

House Accounts

2.6.5 There are the following types of House Accounts: Proprietary Accounts and Market Maker Accounts. Day Accounts, Interim Accounts and APT Accounts (see section 2.6.29) may be opened and utilised as part of a House Account. The Clearing House opens the relevant House Accounts upon the execution of a Clearing Member Agreement by a Clearing Member. The Clearing House may upon request by a Clearing Member review if additional House Accounts shall be opened. Such request must be submitted on a form specified by the Clearing House. The Clearing Member shall not Register Transactions in its House Account other than those entered into by the Clearing Member on its own behalf.

Proprietary Accounts

2.6.6 A Proprietary Account is an Integrated Trading and Clearing Account for the Clearing Member’s clearing of Transactions entered into on its own behalf. A Clearing Member may not use the Proprietary Account for clearing of Transactions in respect of entities within the same group of companies as the Clearing Member. Such entities shall be regarded as Customers or Clients, as applicable. The transfer of Contracts on Proprietary Accounts shall take place in accordance with the rules regarding Re-registration. Set-Off and Forward Netting take place automatically.
Market Maker Accounts

2.6.7 A Market Maker Account is an Integrated Trading and Clearing Account for the Clearing Member’s clearing of Transactions entered into on its own behalf in its capacity as Market Maker. The transfer of Contracts on a Market Maker Account shall take place in accordance with the rules regarding Re-registration. Set-Off and Forward Netting take place automatically.

Margin Requirement Accounts with respect to House Accounts

2.6.8 The Clearing House will open at least one Margin Requirement Account for margin calculation with respect to the Clearing Member’s House Accounts.

Customer Accounts

2.6.9 There are the following types of Customer Accounts: Direct Pledge Accounts and Indirect Pledge Accounts. For the purposes of EMIR, the Direct Pledge Account is an EMIR Individual Segregated Account and the Indirect Pledge Account is an EMIR Omnibus Account.

The Clearing House opens accounts on behalf of a Direct Pledging Customer and CCAB opens accounts on behalf of an Indirect Pledging Customer at the request of a Clearing Member, following the execution by such Customer of the relevant Customer Agreement. A Customer may have one or several Customer Accounts through the same Clearing Member or through several different Clearing Members.

Direct Pledging Customer’s Trading Account, Clearing Account and Margin Requirement Account

2.6.10 Direct Pledging Customers shall have separate Trading Accounts and Clearing Accounts (together, a Direct Pledge Account).

2.6.11 A Direct Pledging Customer’s Trading Account is an account on which Transactions entered into by a Clearing Member on behalf of such Direct Pledging Customer shall be Registered. A Trading Account must be connected to a Clearing Account.

2.6.12 A Direct Pledging Customer’s Clearing Account is an account to which one or several Trading Accounts are connected. The Clearing Account evidences all Contracts related to Transactions Registered on the Trading Accounts connected to it and reflects the outstanding Contracts attributable to the Direct Pledging Customer as Counterparty. The Direct Pledging Customer’s Clearing Account must be fully collateralised by reference to the outstanding Contracts on such Clearing Account as further set out in section 2.8. In the event that a Direct Pledging Customer...
The Clearing House will open a Margin Requirement Account for margin calculation with respect to each Direct Pledge Account.

Indirect Pledging Customer’s Integrated Trading and Clearing Account and Margin Requirement Account

An Indirect Pledging Customer shall have an Integrated Trading and Clearing Account (an Indirect Pledge Account).

An Indirect Pledging Customer’s Integrated Trading and Clearing Account is an account which evidences all Transactions Registered and all Contracts Recorded on such account and reflects the outstanding Contracts attributable to such Indirect Pledging Customer as Counterparty. The Indirect Pledge Account must be fully collateralised by reference to the outstanding Contracts on such Integrated Trading and Clearing Account as further set out in section 2.8. In the event that an Indirect Pledging Customer has more than one Indirect Pledge Account with different Clearing Members, the Clearing House shall not be entitled to combine or consolidate the balances on such Indirect Pledging Accounts (or on any other account). An Indirect Pledging Customer holding such an account must provide Collateral to the relevant Clearing Member which in turn provides Collateral to the Clearing House. Collateral provided to the Clearing House by a Clearing Member in respect of the Indirect Pledge Accounts administered by such Clearing Member shall not be recorded by the Clearing House as belonging, whether by asset or by value, to any particular Indirect Pledging Customer. The Collateral provided by a Clearing Member in respect of its Indirect Pledging Customers may not be used to collateralise any other account or to meet the losses of any Clearing Member, any Client, any other Customer (except Indirect Pledging Customers of the same Clearing Member) or the Clearing House. The Clearing Member’s liability in relation to Collateral provided in respect of the Indirect Pledge Accounts administered by such Clearing Member is subject to the limitation set out in section 2.12.5.

Without prejudice to section 2.6.15, the Clearing House may, for operational and technical
reasons, approve that a Clearing Member connects one or more Integrated Trading and Clearing Accounts that are opened for an Indirect Pledging Customer to one and the same Indirect Pledge Account held by such Indirect Pledging Customer. The Indirect Pledge Account and the connected accounts shall be regarded as one Indirect Pledge Account, and this is without prejudice to section 2.6.15 and segregation requirements pertaining to such accounts under these Clearing Rules and EMIR.

2.6.17 The Clearing House will open a Margin Requirement Account for margin calculation with respect to all Indirect Pledge Accounts which the Clearing Member administers.

Client Accounts

2.6.18 There are the following types of Client Accounts: Omnibus Accounts and Individual Client Segregated Accounts (ICA). For the purposes of EMIR, the Omnibus Account is an EMIR Omnibus Account and the ICA is an EMIR Individual Segregated Account.

Day Accounts, Interim Accounts and APT Accounts may also be opened and utilised as part of any Client Account (see section 2.6.29).

The Clearing House opens the relevant Client Accounts at the request of the Clearing Member. Such request must be submitted on a form specified by the Clearing House.

A Clearing Member may also use the Client Account for clearing of Transactions in respect of entities within the same group of companies as the Clearing Member.

The Clearing House may reject requests to open Client Accounts if the Clearing House has reason to believe that, for financial, administrative or other reasons, the Clearing Member is not suitable to maintain such accounts.

Omnibus Accounts

2.6.19 An Omnibus Account is an Integrated Trading and Clearing Account for a Clearing Member’s clearing of Transactions that reflect equivalent transactions made between such Clearing Member and such group of its Clients that have opted for such account. The Omnibus Account evidences all Transactions Registered and all Contracts Recorded on such account and reflects the outstanding Contracts attributable to such group of Clients; however Collateral pertaining to the Omnibus Account (including all sub-accounts) shall not be further recorded by the Clearing House as belonging, whether by asset or by value, to any particular Client, with no further sub-division or segregation as between the Omnibus Account or any one sub account or as between any Client.
A Clearing Member may technically connect one or more accounts attributable to a group of Clients and a Clearing Member to an Omnibus Account attributable to the same such group of Clients and the same such Clearing Member for administration purposes only. The Omnibus Account and all such connected accounts shall be regarded as one Omnibus Account attributable to the same such group of Clients and the same such Clearing Member; this is without prejudice to sections 2.6.19 and 2.6.20 and the segregation requirements pertaining to such accounts under these Clearing Rules and EMIR.

In addition, a Single-client Account shall be regarded as a sub-account of an Omnibus Account. An Omnibus Account may for these purposes include one or more Single-client Accounts.

2.6.20 A Clearing Member may operate more than one Omnibus Account. Each Omnibus Account must be fully collateralised by reference to the outstanding Contracts on such Integrated Trading and Clearing Account on a net basis across all Contracts credited to such account, but subject to section 2.6.23 in relation to Single-client Accounts that are sub-accounts of such account, as further set out in section 2.8. The Collateral provided in respect of one Omnibus Account shall not be used to collateralise or meet the losses attributable to another such Omnibus Account (or any other account) or to meet the losses attributable to any Client (except Clients in the same Omnibus Account), any Customer, any Clearing Member or the Clearing House.

2.6.21 Transfer of Contracts on an Omnibus Account shall take place in compliance with the regulations regarding Re-registration.

Single-client Accounts

2.6.22 A Single-client Account is an Integrated Trading and Clearing Account which shall be regarded as a sub-account of an Omnibus Account, for a Clearing Member’s clearing of Transactions that reflect equivalent transactions made between such Clearing Member and an individual Client that has opted for such account. The Single-client Account evidences all Transactions Registered and all Contracts Recorded on such account and reflects the outstanding Contracts attributable to such Client; however Collateral pertaining to the Omnibus Account (including any connected Single-client Accounts) shall not be further recorded by the Clearing House as belonging, whether by asset or by value, to any particular Client, with no further sub-division or segregation as between any one sub-account or Single-client Account or as between any Client.

A Clearing Member may technically connect one or more accounts held for an individual Client to a Single-client Account held for that same individual Client for administration purposes. The Single-client Account and all such connected accounts shall be regarded as one...
2.6.23 A Clearing Member must operate one Single-client Account for each Client that has opted for such account. Each Single-client Account must be fully collateralised by reference to the outstanding Contracts on such Integrated Trading and Clearing Account as further set out below and in section 2.8. In the event that a Client has more than one Single-client Account with different Clearing Members, the Clearing House shall not be entitled to combine or consolidate the balances on a Single-client Account held with one Clearing Member with or into the balances on a Single-client Account (or on any other account) held with a different Clearing Member.

Collateral in respect of a Single-client Account shall be provided on a net basis across all Contracts credited to the Single-client Account, despite Collateral in respect of an Omnibus Account otherwise being provided on a net basis across the Omnibus Account as a whole. Therefore, when determining the Margin Requirement in respect of an Omnibus Account, there will be no netting in respect of Contracts credited to two (or more) separate Single-client Accounts that are sub-accounts of the same Omnibus Account or in respect of Contracts credited to a Single-client Account and the Omnibus Account for which it is a sub-account.

As Collateral in respect of an Omnibus Account is provided on an aggregate basis, the Clearing House will not recognise the interests of the Client holding a Single-client Account to any particular assets, as these assets will be posted on the Collateral Custody Account opened for the Omnibus Account as a whole, for which there is no segregation by Client. This means that Collateral provided in respect of a Single-client Account may be used to cover losses of Clients within the Omnibus Account as a whole. Accordingly, this account is regarded as an EMIR Omnibus Account, and a Client that has opted for a Single-client Account will not be protected from the default of other Clients within the same Omnibus Account to which such Single-client Account relates.

2.6.24 Transfer of Contracts on a Single-client Account shall take place in compliance with the regulations regarding Re-registration.

*Individual Client Segregated Accounts (ICA)*

2.6.25 An Individual Client Segregated Account is an Integrated Trading and Clearing Account for a Clearing Member’s clearing of Transactions that reflect equivalent transactions made between such Clearing Member and an individual Client that has opted for such account. The Individual Client Segregated Account evidences all Transactions Registered and all Contracts Recorded on such account and reflects the open positions attributable to such individual Client.
A Clearing Member may technically connect one or more accounts held for an individual Client to an Individual Client Segregated Account held for that same individual Client for administration purposes only. The Individual Client Segregated Account and all such connected accounts shall be regarded as one Individual Client Segregated Account held for the same individual Client and this is without prejudice to section 2.6.26 and the segregation requirements of such accounts under these Clearing Rules and EMIR.

2.6.26 A Clearing Member must operate one Individual Client Segregated Account for each Client that has opted for such account. Each Individual Client Segregated Account must be fully collateralised by reference to the outstanding Contracts on such account as further set out in section 2.8. In the event that a Client has more than one Individual Client Segregated Account with the same or different Clearing Member, the Clearing House shall not be entitled to combine or consolidate the balances on such Individual Client Segregated Account (or on any other account). Moreover, the specific Collateral provided in respect of one Individual Client Segregated Account shall not be used to collateralise or to meet the losses attributable to another such Individual Client Segregated Account (or any other account) or to meet the losses attributable to another Client, any Customer, any Clearing Member or the Clearing House and the Clearing House shall keep separate records and accounts enabling each Clearing Member to distinguish the Collateral held for one Individual Client Segregated Account from the Collateral for any other Client’s Individual Client Segregated Account.

2.6.27 Transfer of Contracts on an Individual Client Segregated Account shall take place in compliance with the regulations regarding Re-registration.

Margin Requirement Accounts in respect of Client Accounts

2.6.28 The Clearing House will open a Margin Requirement Account for margin calculation with respect to each of the Clearing Member’s Omnibus Accounts and Individual Client Segregated Accounts.

Day Accounts, Interim Accounts and APT Accounts

2.6.29 In addition to the above, the Clearing House may set up one or several Day Accounts, Interim Accounts and APT Accounts for a Clearing Member. Such accounts may be designated as a House Account or Client Account, as agreed between the Clearing Member and the Clearing House in each case.

The set up of one or several Day Accounts, Interim Accounts and APT Accounts is without prejudice to the segregation requirements pertaining to Client Accounts and Customer Accounts under these Clearing Rules and EMIR.
Day Accounts

2.6.29.1 A Day Account is an Integrated Trading and Clearing Account for the temporary Registration of Transactions. A Transaction is Registered on a Day Account unless another account is designated by the Clearing Member.

2.6.29.2 Contracts Recorded on the Day Account at the close of a Bank Day are automatically transferred to the Interim Account or other account designated by the Clearing Member. Such transfer takes place 120 minutes after the final time for trading in the relevant Series on the relevant Bank Day. Any subsequent transfer of Contracts shall take place in accordance with the rules regarding Re-registration.

Interim Accounts

2.6.29.3 An Interim Account is an Integrated Trading and Clearing Account for the temporary Registration of Transactions. A Contract may, however, be Recorded on an Interim Account during the Term of the Contract. Exercise and other events relating to Contracts may thus take place on an Interim Account. The transfer of Contracts on Interim Accounts shall take place in accordance with the rules regarding Re-registration. Set-Off and Forward Netting do not take place automatically.

APT Accounts

2.6.29.4 An APT Account (Average Price Trading) is an Integrated Trading and Clearing Account for the calculation of average prices relating to Transactions Registered on another account than the APT Account. In conjunction with the calculation of average prices, the Clearing Member temporarily transfers the relevant Contract to the APT Account for the average calculation, following which the Contract is automatically transferred back to the originating account. The account is free of charge but the Clearing Member is liable for rounding off differences that may arise in conjunction with the creation of an average transaction. Only Transactions Registered on the same day may be transferred to an APT Account.

Right of access to information

2.6.30 A Clearing Account Administrator shall be entitled to obtain necessary information relating to the Trading Accounts connected to the Clearing Account administered by the Clearing Account Administrator. A Clearing Member shall be entitled to obtain necessary information relating to Allocation Accounts which are connected to the Clearing Member’s Receiving Account.

2.6.31 A Trading Account Administrator shall be entitled to obtain necessary information with respect
to the Clearing Account to which the Trading Accounts administered by the Trading Account Administrator are connected, where the Customer and Trading Account Administrator have agreed upon such right of access to information in the Customer Agreement. A Clearing Member shall be entitled to obtain necessary information relating to Receiving Accounts which are connected to the Clearing Member’s Allocation Account if the Clearing Member and the member which is the account holder of the Receiving Account have agreed on such right of access to information and submitted such request to the Clearing House.

The set-up between an NCM and a GCM

2.6.32 The Clearing House shall approve the technical set-up between the NCM and the GCM regarding the GCM’s administration of the NCM’s accounts. A request for a specific set-up shall be made in writing to the Clearing House in accordance with instructions issued by the Clearing House.

2.7 Re-registration, Give Up/Take Up and Allocation

2.7.1 A Contract may, under certain conditions, be Re-registered to another Clearing Account, Integrated Trading and Clearing Account or, with respect to Contracts for which the Co-Operating Exchange is the Primary Exchange, to an account at NASDAQ OMX Oslo NUF. In addition, liability for a Contract may be transferred through Give Up to or from an account relating to another Clearing Member or, with respect to Contracts for which the Co-Operating Exchange is the Primary Exchange, an account at NASDAQ OMX Oslo NUF. However, Re-registration or Give Up to or from an account at NASDAQ OMX Oslo NUF may take place only where such is permissible under the COM Clearing Rules. Moreover, a Contract that is Recorded on an Allocation Account may, under certain conditions, be Allocated to a Client Account.

2.7.2 This section 2.7 is applicable for Instruments that are both Exchange Listed and Clearing Listed, and does not apply to COM Block Trades, COM EFP or COM EFS. For Instruments that are only Clearing Listed (other than COM Non Exchange Transactions or COM Third Party Exchange Transactions) the provisions of section 2.10.3 are applicable instead. For COM Block Trades, COM EFP, COM EFS, COM Non Exchange Transactions and COM Third Party Exchange Transactions the provisions of section 2.7A are applicable instead.

Re-registration

General

2.7.3 A Contract that is Recorded on a Clearing Account or on an Integrated Trading and Clearing Account may be Re-registered upon request by the Trading Account Administrator (if the Re-registration is made without Settlement the request shall be made by the Clearing Account
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Administrator). Re-registration must be requested by a Clearing Member on a form determined by the Clearing House or via the Clearing Member’s electronic connection to the Clearing System. Such a request must reach the Clearing House within the time limits prescribed in section 2.7.9, 2.7.10 or 2.7.11, as applicable.

Re-registration as a consequence of Registration of the wrong account holder or between a Clearing Member's own accounts

2.7.4 Re-registration as a result of Registration in the name of the wrong Customer (i.e. on a different Customer Account administered by the same Clearing Member) or between a Clearing Member’s own accounts (including, for the avoidance of doubt, its Client Accounts) entails the cancellation of the Contract on the original Clearing Account or Integrated Trading and Clearing Account, as applicable, simultaneously with the Registration of a corresponding Contract on another Clearing Account or Integrated Trading and Clearing Account. Such Re-registration is permitted provided the following conditions are satisfied:

(i) The Transaction has been mistakenly Registered, or the Contract has been mistakenly Recorded in the name of the wrong Customer or a Clearing Member requests to transfer a Contract between its own accounts (including, for the avoidance of doubt, its Client Accounts); and

(ii) Re-registration takes place to an account held by the same Clearing Member or a Customer Account administered by the same Clearing Member.

Re-registration between a Customer’s own accounts or between Client Accounts, etc.

2.7.5 Re-registration between a Customer’s own accounts entails a Contract being transferred to another account administered by the same or another Clearing Member. The Clearing Members shall certify that the Re-registration relates to the same Customer and that such Customer has instructed or consented to such Re-registration, and the Clearing Member which administers the Customer Account to which Re-registration is made shall approve the Re-registration. Where the Re-registration relates to a transfer between two Customer Accounts administered by two different Clearing Members, the Clearing House furthermore reserves the right to verify that the Re-registration relates to the same Customer.

2.7.6 In conjunction with Re-registration between two Client Accounts held by separate Clearing Members, the Clearing Members affected shall certify to the Clearing House that the Re-registration relates to the same Client(s). The Clearing Member which holds the account to which Re-registration shall be made shall also approve the Re-registration.

2.7.7 In addition to the cases referred to in section 2.7.5 and 2.7.6, Re-registration is permitted between accounts held by different Customers or Clients where such Re-registration is
occasioned by inheritance, gift, division of the joint property or bequest. In such cases, the account administrator must certify to the Clearing House that the Re-registration is occasioned by inheritance, gift, division of the joint property or bequest, as applicable.

2.7.8 [Intentionally left blank]

*Times for Re-registration*

2.7.9 In order to process a request for Re-registration on the same day, it needs to reach the Clearing House:

(i) prior to the closing of the Clearing System, where the request is submitted via the member’s electronic connection; or

(ii) 30 minutes prior to the closing of the Clearing System, where the request is submitted by fax or email.

Deviations from the above times may occur and, in such cases, are specifically stated in the contract specification governing the Contract.

2.7.10 A request for Re-registration as a consequence of Registration of the wrong account holder or between a Clearing Member’s own accounts and which relates to Re-registration between the accounts stated below and which is not received on the Expiration Day for the Contract must be received by the Clearing House prior to the closing of the Clearing System at the latest two Bank Days after Registration in order for Re-registration to take place.

(i) Proprietary Account to:
   a) Customer’s Clearing Account or Integrated Trading and Clearing Account; or
   b) Interim Account

(ii) Market Maker Account to:
   a) Customer’s Clearing Account or Integrated Trading and Clearing Account; or
   b) Interim Account

2.7.11 Requests for Re-registration that reach the Clearing House on the Expiration Day for the Contract shall not be processed where such a request is submitted after the times set forth below:
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(i) the time of closing of the Clearing System, where the request is submitted via
the Clearing Member’s electronic connection; or

(ii) 30 minutes prior to the closing of the Clearing System, where the request is
submitted by fax or email.

Change of status

2.7.12 A member that wishes to change status on an Exchange Transaction or a Transaction from
buy to Set-Off, or from issuance to Set-Off on the same account relating to a Registered
Option Contract or from Futures Contract, or from buy to Forward Netting or from
issuance to Forward Netting on the same account relating to a Registered Forward
Contract, must request the same prior to the closing of the Clearing System on the
Expiration Day for the Contract.

Give Up and Take Up

2.7.13 ‘Give Up’ means that a Clearing Member’s liability for a Contract Recorded on a
Clearing Account or on an Integrated Trading and Clearing Account is assumed by
another Clearing Member at the Clearing House. ‘Take Up’ means that a Clearing
Member assumes liability for a Contract from another Clearing Member at the Clearing
House. Give Up may take place in accordance with any of the following:

(i) Through a Contract Recorded on a Clearing Account or Integrated Trading and
Clearing Account being transferred to and Recorded on an account at the
Clearing House designated by the receiving Clearing Member, following
confirmation by the receiving Clearing Member.

(ii) Through connecting a Clearing Member’s account at the Clearing House, after
the request of the Clearing Members in question and the approval of the Clearing
House, to another Clearing Member’s account. In such cases, Give Up takes
place when the Contract is Recorded at the receiving Clearing Member’s
account.

(iii) Through a Contract Recorded on a Clearing Account or Integrated Trading and
Clearing Account at the Clearing House being transferred to and Recorded on an
account at NASDAQ OMX Oslo NUF designated by the receiving member,
following confirmation by the receiving member in accordance with the COM
Clearing Rules.

(iv) Through a Contract Recorded on an account at NASDAQ OMX Oslo NUF being
Clearing Members who wish to request Give Up of a Contract Recorded at the Clearing House must send such request to the Clearing House prior to the closing of the Clearing System where the request is submitted via the Clearing Member's electronic connection, or 30 minutes prior to the closing of the Clearing System, where the request is submitted by fax, email or telephone, on the day on which the corresponding Transaction was executed, or if required, within the same times as stated above, and on the following two Bank Days.

A request for Give Up that reaches the Clearing House on the Expiration Day for the Contract must, however, be submitted via fax, email or the Clearing Member's electronic connection not later than 30 minutes prior to the closing of the Clearing System the same day. Give Up is allowed where the receiving Clearing Member confirms, electronically or by fax or email, assumption of liability for the Contract and also, in such cases as referred to in section 2.7.13 (i), such confirmation is provided not later than the closing of the Clearing System in the relevant Series on the same day.

Subject to the first paragraph of this section 2.7.14, where a Clearing Member submits a request for Give Up later than on the day on which the corresponding Transaction was executed, the Clearing Member will be required to advance the payment of the Premium and the fee, but will receive a payment of the equivalent amount on the next Bank Day.

In order for a Give-Up to a member at NASDAQ OMX Oslo NUF to take place, the transferring Clearing Member must, via its electronic connection, have requested that a Give Up shall take place and the receiving member must confirm assumption of liability for the Contract within the times stipulated in the “Trading and Clearing Schedule” to the COM Clearing Rules. If a Take Up is not effected during such time, or if the Clearing House does not approve the Take Up, the Give Up request will be cancelled.

In the event of Give Up, the transferring Clearing Member shall continue to be liable against the Clearing House in accordance with the Clearing Rules relating to the relevant Contracts until such time as the receiving Clearing Member confirms assumption of liability and the Contract is Recorded on the receiving Clearing Member's account with the Clearing House. In conjunction with Take Up, the Clearing Member shall become liable when the Contract is Recorded on the designated account at the Clearing House. In the event of Take Up which takes place after the closing of EMP the liability is stipulated in section 2.12.8.
2.7.17 In the Clearing Rules, “Allocation” means that Contracts Recorded on one or several Allocation Accounts at one Clearing Member automatically are Recorded on a Receiving Account at another Clearing Member. Such Allocation Account(s) at one Clearing Member and Receiving Account at another Clearing Member are connected through the relevant Clearing Members entering into an Allocation Agreement provided by the Clearing House.

2.7.18 In the event of Allocation, the liability provisions in section 2.12 shall apply together with the provisions in the Allocation Agreement.

2.7A Re-Registration, Give Up/Take Up for Transactions entered through the Combined COM Block Trade Facility, COM Non Exchange Transactions and COM Third Party Exchange Transactions

Any claims for re-registration, give up or take up in respect of COM Block Trades, COM EFP, COM EFS, COM Non Exchange Transactions or COM Third Party Exchange Transactions shall be governed by the COM Clearing Rules (as may be amended from time to time) which shall apply mutatis mutandis under these Clearing Rules and be deemed incorporated into these Clearing Rules by reference, and section 2.7 and 2.10.3 of these Clearing Rules shall not apply to such matters.

2.8 Collateral

General

2.8.1 Customers and Clearing Members must provide Collateral for undertakings made in the clearing operations.

2.8.2 The Collateral approved by the Clearing House is set forth in the Collateral List in force from time to time. The Clearing House may prescribe limits with respect to certain Collateral to mitigate concentration risk. The Collateral List also sets forth the haircut to be made in conjunction with the valuation of provided Collateral. A Clearing Member may, vis-à-vis an Indirect Pledging Customer apply a margin requirement without regard to any haircut where the Collateral pertains to an issued call option Recorded on an Integrated Trading and Clearing Account, and the Clearing Member ensures that the Indirect Pledging Customer holds the underlying shares and may not dispose of the same prior to such time as the Indirect Pledging Customer’s position has terminated through Set-Off or Exercise.
 Provision of Collateral by Customers

2.8.3 Direct Pledging Customers provide Collateral directly to the Clearing House.

2.8.4 Indirect Pledging Customers provide Collateral indirectly to the Clearing House, which means that the Customer provides Collateral to a Clearing Member and the Clearing Member provides Collateral to the Clearing House. Collateral provided by an Indirect Pledging Customer to a Clearing Member must comply with the Collateral List.

2.8.5 In conjunction with the indirect provision of Collateral, a Clearing Member may state a limit vis-à-vis an Indirect Pledging Customer with respect to the Collateral that the Clearing Member may provide on behalf of the Customer. Such a limit does not, however, affect the Clearing Member’s obligation to provide Collateral to the Clearing House.

 Provision of Collateral by Clearing Members

2.8.6 A Clearing Member shall at all times provide Collateral directly to the Clearing House in respect of its House Accounts, its Client Accounts and Indirect Pledge Accounts administered by the Clearing Member as Clearing Account Administrator.

 Collateral Custody Accounts

2.8.7 Collateral shall be provided on Collateral Custody Accounts opened with the Clearing House in accordance with the Collateral Custody Account Agreement.

A Direct Pledging Customer or Clearing Member must open at least one Collateral Custody Account for provision of Collateral in respect of each Margin Requirement Account opened for it in accordance section 2.6. A Clearing Member or a Direct Pledging Customer may post more Collateral to the Clearing House (to be held on the Collateral Custody Account) than is required pursuant to the determinations of the Clearing House in respect of the relevant Margin Requirement Account. Such excess Collateral shall be treated in accordance with the Clearing Rules on the same basis as all Collateral provided in respect of such Margin Requirement Account.

Collateral provided to the Clearing House by a Direct Pledging Customer in respect of its Direct Pledge Account or Clearing Member in respect of its House Accounts, Omnibus Accounts or Individual Client Segregated Accounts, as applicable, shall be recorded by asset in the Collateral Custody Account, meaning that the Clearing House will record the particular asset transferred in respect of each such account. Collateral provided to the Clearing House by a Clearing Member in respect of Indirect Pledge Accounts
Collateral provided to the Clearing House by a Clearing Member in respect of its Omnibus Accounts or Indirect Pledge Accounts administered by such Clearing Member, shall not be recorded by the Clearing House as belonging, whether by asset or by value, to any particular Client or Indirect Pledging Customer.

2.8.8 As further set out in the Collateral Custody Account Agreement, Collateral in the form of securities is pledged in favour of the Clearing House and Collateral in the form of cash is deemed transferred by way of security (Sw: säkerhetsöverlåtelse) to the Clearing House.

Guarantees

2.8.9 A “non financial counterparty” as defined in Regulation (EU) no 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, is entitled to provide a guarantee as security in respect of positions in Instruments for which the Co-Operating Exchange is the Primary Exchange. Such guarantee must be approved by the Clearing House and be issued by a banking institution accepted by the Clearing House. Guarantees must be submitted to, and lodged with, the Clearing House. The Clearing House may prescribe a maximum amount for a guarantee. The Clearing House shall not accept any guarantee which is not compliant with EMIR or any other law or regulation. Customers or Clearing Members shall, upon request by the Clearing House, provide new collateral not later than ten Swedish Bank Days prior to the termination of a guarantee.

General pledge in favour of the Clearing House

2.8.10 Under the Clearing Member Agreement and the Customer Agreement, respectively, Clearing Members and Customers have pledged in favour of the Clearing House any and all claims against the Clearing House related to Contracts Recorded on the Clearing Member’s or Customer’s accounts.

2.8.11 The following shall apply to the enforcement of the general pledge which has been made in the Clearing Member Agreement or Customer Agreement, as applicable. Collateral under the general pledge shall be enforced, as a first resort, with respect to obligations relating to the account on which the respective Contract is Recorded. In the event the account is still in deficit after set-off, enforcement of other collateral or after the Clearing Account Administrator or Trading Account Administrator has
The Clearing House normally calculates a Margin Requirement for each Margin Requirement Account regularly during the Clearing House’s business hours. The Margin Requirement is calculated with reference to all Contracts Recorded on the relevant Clearing Accounts and/or Integrated Trading and Clearing Accounts associated with the Margin Requirement Account. The Clearing House may calculate the Margin Requirement on the aggregated net of several House Accounts or Direct Pledge Accounts where such are held by the same Clearing Member or Direct Pledging Customer, respectively.

The Margin Requirement shall be calculated in accordance with the model applied by the Clearing House from time to time. Upon request the Clearing House shall provide free of charge a description of the relevant model and the calculation method.

The amount of the Margin Requirement is based on the parameter values determined for the relevant Instrument in the Parameter Value List. The Clearing House’s normal procedures for changes to the Parameter Value List provide that changes enter into force not earlier than one week after the Clearing House has notified a decision with respect to such change. However, the Clearing House reserves the right to make changes to the Parameter Value List at any time (including with immediate effect) upon giving notice, if the Clearing House deems that such change is necessary.

The Clearing House shall on each Bank Day notify the Clearing Member or the Direct Pledging Customer of applicable Margin Requirements to be met. Unless otherwise agreed, notice is given by the Clearing House by making the applicable Margin Requirements available not later than 8.00 a.m.

A Direct Pledging Customer may elect to appoint a third party to manage the
provision of Collateral on its behalf. If such appointment is approved by the Clearing House in its sole discretion, the applicable Margin Requirements shall be made available to such third party.

2.8.16

The Clearing House may at its own discretion notify a Clearing Member or Direct Pledging Customer of an Intra-Day Margin Requirement. Collateral corresponding to the Intra-Day Margin Requirement shall be provided not later than 90 minutes after the Clearing House has announced the Intra-Day Margin Requirement. Following request by the affected party, the Clearing House will provide the basis for the new calculation.

If the relevant risk exposure is reduced within 90 minutes of an Intra-Day Margin Requirement made in accordance with the preceding paragraph, the Clearing Member or the Direct Pledging Customer may contact the Clearing House for calculation of a new Margin Requirement. The Clearing House may then announce a new Margin Requirement. Collateral corresponding to such new Margin Requirement shall nevertheless be provided within 90 minutes of the Intra-Day Margin Requirement made in accordance with the preceding paragraph.

2.8.17

The Clearing House may issue an Extraordinary Margin Requirement to a Clearing Member or Direct Pledging Customer if the Clearing House’s margin model validation program (including back testing, stress testing and sensitivity testing) in the Clearing House’s opinion indicates that the previously notified Margin Requirement does not cover the true risk exposure.

Extraordinary Margin Requirements may be calculated following the normal procedures for Margin Requirements set out above. The Clearing House may also apply any other risk calculation procedure the Clearing House considers prudent given the outcome of the Clearing House’s model validation tests.

Collateral for Extraordinary Margin Requirements must be posted within ninety (90) minutes after the requirement reached the Clearing Member or Direct Pledging Customer.

2.8.18

The Clearing Account Administrator shall notify the Indirect Pledging Customer with respect to the first Margin Requirement applicable to a Contract as a result of the Registration of the Contract on such Indirect Pledging Customer’s Indirect Pledge Account. The aforesaid shall not, however, apply where the member and Indirect Pledging Customer have otherwise agreed or where such notification might be deemed unnecessary. In addition, where the Margin Requirement is negative the Clearing Account Administrator shall inform the Indirect Pledging Customer with
Provision of Collateral

2.8.19 An obligation to provide Collateral arises when a Margin Requirement notified in accordance with section 2.8.12-2.8.17 is negative. A Collateral Deficiency exists where the Collateral Sum is insufficient to cover a negative Margin Requirement. In such case, Collateral must be provided to cover the Collateral Deficiency, in accordance with section 2.8.20.

2.8.20 Collateral shall, subject to sections 2.8.16-2.8.17, be provided not later than 10.30 a.m. on the Bank Day after a Collateral Deficiency has arisen, irrespective of whether the Collateral Deficiency has arisen as a result of Registration of Transactions, changes in value with respect to already Recorded Contracts, or a negative change in value of the Collateral Sum.

The Clearing House and Clearing Members may, however, decide that Collateral may instead be provided in conjunction with the execution of an Exchange Transaction, at the time of Registration, or any other time. The Clearing House may decide that Collateral shall generally be provided at a time other than as stated in the first paragraph where a Clearing Member or Customer conducts operations in a time zone other than CET.

Release and substitution of Collateral

2.8.21 Where there is a Collateral Surplus with respect to a particular Margin Requirement Account, Collateral provided may be released upon request to the Clearing House to the extent the Collateral Sum exceeds the Margin Requirement most recently notified by the Clearing House. However, where a release takes place before 11.00 a.m. the Margin Requirement notified by the Clearing House on the immediately preceding Bank Day must also be taken into consideration. The aforesaid shall not, however, apply where:

(i) the Clearing House announces that another time shall apply; or
(ii) the Clearing House and the Clearing Member have agreed otherwise.

2.8.22 Collateral provided may be substituted by providing replacement Collateral and then requesting a release of Collateral in accordance with section 2.8.21.

Enforcement of Collateral
2.8.23 In the event of default by a Clearing Member or Customer in accordance with the provisions of section 1.8, the Clearing House shall be entitled to immediately enforce the Collateral provided by the Clearing Member or Customer, as applicable. The Clearing House shall only exercise its rights in relation to the enforcement of Collateral and the rights under section 2.8.24 for the relevant Customer Account or Client Account in respect of which it has been provided.

2.8.24 Where, in respect of any account held or administered by such Clearing Member or Customer, as applicable, there remains a surplus after adding to/deducting from the Collateral Surplus the proceeds/costs of:

a) closing the Clearing Member’s or Customer’s positions, as applicable, on the relevant account;

b) executing any substitute transactions in relation to that account;

c) enforcing the Collateral, subject to the terms regarding enforcement of the Collateral and the applicable terms regarding segregation of Collateral in section 2.6, in order to cover all of the Clearing Member’s or Customer’s, as applicable, undertakings in clearing; and

d) settling all other amounts due (i) from the Clearing House to the relevant Clearing Member or Customer, as applicable, and (ii) to the Clearing House from the relevant Clearing Member or Customer, as applicable, in each case in relation to the relevant account,

the Clearing House shall, subject to sections 1.9C, 1.9D and 1.9E, report the surplus in relation to such account to the Clearing Member or the Customer, as applicable, or to such party’s bankruptcy estate or equivalent. The provisions regarding any determination in relation to a Collateral Surplus are subject to the segregation requirements set out elsewhere in these Clearing Rules and in EMIR.

2.8.25 The Clearing House shall also be entitled to immediately enforce Collateral provided by Direct Pledging Customers or Clearing Members where the Direct Pledging Customer or Clearing Member, as applicable, fails to fulfil its obligations in accordance with the Clearing Rules and where the Clearing House, as a consequence thereof, obtains a claim against the Direct Pledging Customer or Clearing Member, as applicable, covered by the securities pledge or cash security under the Collateral Custody Accounts or any bank guarantee.

Delivery Capacity

2.8.26 The Clearing House may require delivery capacity with respect to Deliverable Instruments. Such a requirement may apply generally to a Series or to a specific Contract or specific Clearing Account. Delivery capacity shall be secured in the manner determined by the Clearing House.
Delivery arrangements for Allowances and El-Certs

2.8.27 A Counterparty must at its own cost establish, appoint and maintain such Delivery Points and appurtenant arrangements as may be required by it to perform its Delivery obligations, prior to entering into any Transactions in Allowances or El-Cert where Delivery may be required under the Clearing Rules.

2.8.28 A Counterparty’s appointment of Delivery Points is subject to the consent of the Clearing House, not to be unreasonably withheld. A Counterparty shall promptly provide the Clearing House with such information as the Clearing House requests and deems required in relation to a Delivery Point.

2.8.29 The Clearing House may, if it has reasonable cause for doing so in relation to any obligation to be performed by it or a Counterparty under the Clearing Rules, require a Counterparty to appoint an alternative Delivery Point whereby the Counterparty shall promptly comply with such instructions.

2.8.30 The Clearing House may suspend Deliveries to a specific Delivery Point if necessary for the Clearing House to comply with applicable laws.

Financial collateral arrangements


2.9 CONTRACT EVENTS

Introduction

2.9.1 During the Term of a Contract, a number of events may occur that are of significance for the parties' respective rights and obligations with respect to the Contract (contract events). The contract events that may occur with respect to a specific Contract are set forth in the relevant contract specification, unless otherwise stated in the Clearing Rules.

2.9.2 The following contract events may occur:

- Payment of fees;
- Payment of Premiums;
- Set-Off and Forward Netting;
2.9.3 A Contract may be performed through Cash Settlement or Delivery or a combination thereof. Cash Settlement or Delivery may take place during the term of the Contract (American type) or only on the Expiration Day (European type) in accordance with the provisions of the respective contract specification or otherwise in accordance with the terms and conditions governing the Contract.

2.9.4 Cash Settlement means that the Exercise Price, Futures Price, or other value is calculated against Fix. The difference is paid or received as Payment on the relevant Settlement Day. Cash Settlement may take place daily, monthly, quarterly, or on the Expiration Day of the Contract in accordance with the provisions set forth in the contract specification. Where Cash Settlement occurs on the Expiration Day, the Contract terminates.

2.9.5 Delivery means that Deliverable Instruments shall be delivered or received simultaneously with payment of the Exercise Price, Futures Price, or Fix taking place through Settlement. When Delivery occurs, the Contract terminates.

2.9.6 Where the conditions for a Contract are modified during the Contract Term, with respect to the underlying asset on which the Contract is based, the Clearing House recalculates the contract terms and conditions where necessary. Such recalculation takes place in accordance with the contract specification valid for the Contract in question.

2.9.7 In the event of any conflict between the provisions on contract events set out in this section 2.9 and the contract specifications for Instruments for which the Co-Operating Exchange is the Primary Exchange in section 3A.3, the contract specifications shall prevail.

Payment of Fees

2.9.8 Clearing Members and Customers shall pay fees to the Clearing House in accordance with the Fee List in force from time to time. Fees shall be paid in accordance with the payment terms and conditions set forth in the Fee List.

Section 2.12 provides that Trading Account Administrators and Clearing Account Administrators are liable for the payment by a Customer of due and payable fees.

Payment of Premiums

2.9.10 The payment of Premiums takes place by the purchaser, on the Premium Payment Day...
stated in the contract specification, making payment to the Clearing House, simultaneously with the Clearing House making payment to the seller of an amount corresponding to the Premium.

Set-Off and Forward Netting

2.9.11 Set-Off means that the rights and obligations pursuant to an Option Contract or a Futures Contract Recorded on a Clearing Account or an Integrated Trading and Clearing Account terminate through an offsetting Contract being Recorded on the same account (closed position). Set-Off is conditional on the contract specification stating that Set-Off may take place. Set-Off on an Omnibus Account requires active measures by the Clearing Member.

2.9.12 Forward Netting means that the rights and obligations pursuant to a Forward Contract Recorded on a Clearing Account or an Integrated Trading and Clearing Account are deducted through a similar offsetting Contract being Recorded on the account. In the event of Forward Netting, the rights and obligations set forth in the Contract do not terminate, but rather apply in parallel until the Expiration Day (closed position). Forward Netting is conditional on the contract specification stating that such netting may take place.

2.9.13 The legal consequences of Set-Off or Forward Netting enter into effect at the time on which the corresponding Contract is Recorded on the account.

2.9.14 The provisions above regarding Set-Off shall also apply to Contracts with respect to financial instruments or similar rights and obligations other than options, futures or forwards, unless otherwise stated in the relevant contract specification.

Exercise and Closure

Option Contracts

Generally

2.9.15 Exercise of an Option Contract may take place through premature exercise, standard exercise, or automatic exercise in accordance with the provisions of the respective contract specification. Premature exercise and standard exercise are normally applied when options that settle through Delivery are involved and automatic exercise when cash settled options are involved.

2.9.16 In conjunction with Exercise of an Option Contract with Delivery, the Clearing House randomly selects corresponding Contracts within certain volume intervals in respect of which the Clearing House in turn demands exercise vis-à-vis another Customer or Clearing
2.9.17 Exercise other than standard exercise or automatic exercise takes place through the holder of a Contract demanding Exercise. This takes place through the Clearing Member, sending an Exercise Order to the Clearing House in writing or via its electronic connection to the Clearing System. Such requests are otherwise governed by the provisions of the respective contract specification.

2.9.18 Customers or Clearing Members that obtain a delivery undertaking as a result of Exercise must ensure that sufficient delivery capacity exists with respect to the relevant Deliverable Instrument.

*Premature Exercise*

2.9.19 Premature exercise means that a holder of an American Option Contract may exercise the Contract at any time during the Term of the Contract. An issuer of a corresponding Contract is obligated to accept premature exercise if the Clearing House so requests.

*Standard Exercise*

2.9.20 Standard exercise means that the Clearing House, on the Expiration Day and on behalf of the Clearing Member or Customer, effects Exercise with respect to the Contract which, in the Clearing House's opinion, has a certain minimum real value. Where a Clearing Member or Customer opposes such standard exercise, such Clearing Member must notify the Clearing House accordingly. Where such a notice is not received by the Clearing House within the time and in the manner stated in the contract specification, the Clearing House effects Exercise on behalf of such Clearing Member or Customer.

*Automatic Exercise*

2.9.21 Automatic exercise means that the Clearing House, on the Expiration Day and on behalf of the Clearing Member or Customer, effects Exercise of the Contracts which, in the Clearing House's opinion, have a certain minimum real value. In conjunction with automatic exercise, the Clearing Member or Customer may not waive the right to be the subject of exercise.

*Impediments to Exercise*

2.9.22 Where a Suspension of Trading or corresponding measures has been decided upon by a securities exchange or other marketplace, and where the decision relates to the Instrument(s) included in the Contract Base, Exercise may not take place until the measure
The Clearing House may also decide in other cases that the time for Exercise shall be postponed if, in the Clearing House's opinion, the pricing of financial instruments or other values included in the Contract Base is unreliable.

In the event of an impediment to Exercise in accordance with the above, Exercise shall be carried out as soon as such may take place.

Forward Contracts and Futures Contracts

The Closing of Forward Contracts and Futures Contracts takes place in accordance with the provisions stated in the respective contract specification.

Closing of Contracts with Delivery takes place in accordance with the provisions stated in the relevant contract specification, through:

(i) Deliverable Instruments being delivered against Settlement corresponding to the Futures Price; or
(ii) Deliverable Instruments being delivered against Fix and the difference between the Futures Price and Fix being paid through Cash Settlement; or
(iii) Deliverable Instruments shall be delivered at the average price for the Contract Share on the Expiration Day and the difference between such average price and Fix for the immediately preceding Bank Day shall be paid through Cash Settlement.

Closure of Contracts with Cash Settlement takes place in the manner stated in section 2.9.4 and in accordance with the relevant contract specification.

In conjunction with the Closure of Futures Contracts and Forward Contracts, the provisions of sections 2.9.21-2.9.23 regarding Exercise shall apply mutatis mutandis.

Contracts other than Options, Forward Contracts or Futures Contracts

Contracts other than such as relate to options, forwards or futures and which may be settled through Delivery or Cash Settlement, may terminate through Exercise, Closure or other corresponding procedure(s) in accordance with the provisions of the relevant contract specification.

Transfer Orders
A Transfer Order with respect to Cash Settlement or Delivery as a consequence of Settlement, Closing or a similar contract event shall be deemed placed in the Clearing System upon receipt of a request by the Clearing House or when the Clearing System, without such a request, generates a final settlement report in accordance with section 2.11. Other than as set forth in the rules regarding Protests (section 2.10), Transfer Orders may not be revoked after the Clearing House has provided such settlement report.

Expiration

2.9.31 A Contract which has not become the subject for Set-Off, Forward Netting, Exercise, Closing or corresponding procedure shall terminate automatically through Expiration upon the expiry of the Contract Term. In the event of Expiration, all rights and obligations with respect to the Contract cease to apply.

Recalculation

2.9.32 Where the conditions for the performance of a Contract are changed as a result of a change in the value that constitutes the basis for the Contract, recalculation may take place of the Exercise Price, Futures Price, number of underlyings per Contract or equivalent. Such recalculation shall take place in accordance with the contract specification governing the Contract in question.

2.9.33 Circumstances that may result in a recalculation in accordance with the above may consist, for example, of bonus issues, new issues, splits, reverse splits of shares, mergers, distributions of shares in subsidiaries (spin-off), de-listing from a securities exchange or other marketplace, compulsory purchase, liquidation, or bankruptcy.

Contract Note

2.9.34 The Clearing House prepares contract notes in conjunction with Registration of a Contract, Exercise, Closure, or where the Contract ceases to apply in any other manner, however not where the Contract terminates through Expiration, whereupon the note is sent to the Clearing Account Administrator.

2.9.35 The contract note is sent to the Clearing Member via the Clearing Member’s electronic connection, unless otherwise agreed by the Clearing Member and the Clearing House.

2.9.36 Clearing Members shall prepare contract notes vis-à-vis Customers.

2.10 Protests

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General

2.10.1 Clearing Members shall continuously assist in reconciliation of Transactions Registered during any day and shall submit to the Clearing House any Protest attributable to Registrations or failure to Register, in the event that discrepancies exist compared with the Clearing Member’s own records. Clearing Members shall also, within the times stated in the Clearing Rules, submit Protests against, e.g., erroneously executed, or failure to execute, Exercise or Cash Settlement. Protests submitted at times later than those stated below shall be invalid.

2.10.2 Protests of Contracts relating to Instruments that are both Exchange Listed and Clearing Listed shall be requested by a Clearing Member, on forms determined by the Clearing House or via the Clearing Member’s electronic connection to the Clearing System. Protests may also be submitted in another manner where such is stated in the contract specification governing such Contract.

2.10.3 Protest relating to Contracts concerning Clearing Listed Instruments or TM-Cleared Instruments shall be requested by a Clearing Member, by telephone, on a form determined by the Clearing House, via the Clearing Member’s electronic connection to the Clearing System or in another way which the Clearing House from time to time finds appropriate. Protests (termination) relating to Generic Rates Instruments (however not including Generic STIBOR-FRA Contracts) may also be requested through other system approved by the Clearing House, currently MarkitWire. The Clearing House shall take the measure as requested provided that the original contracting party consents to such measure.

2.10.4 Where a Protest results in a cancellation of the original Transaction and Registration of a new Transaction, the Registration Day shall be changed to the Bank Day on which new Registration occurs.

2.10.5 The following types of Protests may take place:

(i) **Request for Re-registration.** This type of Protest may take place in the event of Re-registration of a Contract from one account to another account in accordance with the rules set forth in section 2.7.

(ii) **Protest concerning Registration of Internal Trades.** This type of Protest may take place where a Clearing Member wishes to modify, e.g., price, volume, and Series
(iii) **Protest regarding Registration Errors.** This type of Protest may take place where a Clearing Member, in conjunction with reconciliation of a Transaction that was executed manually via MPS, discovers that discrepancies exist compared with the Clearing Member’s own records, e.g. erroneously executed, or failure to execute, Registrations of Transactions. Such Protests shall be made in accordance with the rules relating to Registration Errors in section 2.10.9.

(iv) **Protest concerning Exercise and Cash Settlement.** This type of Protest may take place where a Clearing Member desires to submit a Protest against executed, or failure to execute, Exercise or Cash Settlement, see sections 2.10.10-2.10.11.

**Protest concerning Registration of Internal Trades**

2.10.6 Protests concerning Registration of Internal Trades may take place where a Clearing Member wishes to modify:

(i) price, volume, and Series; or

(ii) buy to sell or sell to buy.

2.10.7 Protests must be submitted immediately after discovery of the discrepancy, however not later than 30 minutes prior to EMP’s normal closing on the Bank Day after Registration took place or, where Registration took place on the Expiration Day, **not later than 30 minutes** prior to the closing of the Clearing System on the Expiration Day.

2.10.8 When a modification takes place in accordance with the above, the modification shall apply from the time that the Contract was Recorded on the account.

**Protests concerning Registration Errors**

2.10.9 The Clearing House may, on its own initiative or following a request, cancel or modify a Transaction which entails a Registration Error, e.g. Transactions registered with an erroneous volume, erroneous price, or Transactions that have been double-registered.

A Clearing Member that wishes to Protest against a Registration Error must do so immediately after the discrepancy is discovered, however, not later than 30 minutes prior to EMP’s normal closing on the Bank Day after the Registration took place or should have taken place.

Protests may, however, be submitted at a later time provided that all Clearing Members...
Protests submitted to the Clearing House later than the times stated below shall not be processed by the Clearing House until the following Bank Day:

(i) Prior to the closing of the Clearing System, where the request is submitted via the Clearing Member’s electronic connection;
(ii) 30 minutes prior to the closing of the Clearing System, where the request is submitted via fax or email;

When a modification takes place in accordance with the above, such modification shall apply from the time on which the Contract was Recorded on the account.

Protests concerning incorrectly executed or non-executed Exercise and Cash Settlement

2.10.10 On its own initiative or following a request by a Clearing Member, the Clearing House may effect rectification of a, by the Clearing House, incorrectly executed or non-executed Exercise and Cash Settlement.

2.10.11 A Clearing Member which wishes to submit a Protest in respect of a, by the Clearing House, incorrectly executed or non-executed Exercise or Cash Settlement, must submit a request therefore. Such Protest must be submitted as soon as the error is discovered, however not later than 30 minutes prior to EMP’s normal opening on the Bank Day after the Exercise or Cash Settlement was carried out or should have been carried out. In connection with such Protest, the Clearing Member shall, in addition to stating the matter to which the Protest refers, provide information regarding the Series, number of Contracts affected, and the account numbers in question.

2.10.12 If the Protest has been submitted in relation to an Exercise or Cash Settlement that has, in the Clearing House’s opinion, been incorrectly executed or non-executed the Clearing House may effect rectification.
In order to enable the Clearing House on its own initiative or following a Protest to effect rectification with respect to incorrectly executed or non-executed Exercise or Cash Settlement, the Clearing House shall, not later than 120 minutes after EMP’s normal opening on the Bank Day after Exercise or Cash Settlement was carried out or should have been carried out, notify the Clearing Member concerned that rectification will be effected. The Clearing House shall also inform the Clearing Members concerned how the rectification will be effected.

### Cancellation of an incorrect request of Exercise and Cash Settlement

2.10.14 On its own initiative or following a request by a Clearing Member, the Clearing House may carry out the following measures due to a Clearing Member’s incorrect request for Exercise and/or Cash Settlement.

2.10.15 A Clearing Member which wishes to cancel an incorrect request of Exercise or Cash Settlement made by the Clearing Member must submit a request therefore to the Clearing House as soon as the error is discovered, however not later than 60 minutes after EMP’s normal opening on the Bank Day after the Exercise or Cash Settlement was carried out. In connection with such request, the Clearing Member shall, in addition to stating the matter to which the request refers, provide information regarding the Series, number of Contracts affected, and the account numbers in question.

2.10.16 When a Clearing Member has made such a request for cancellation, the Clearing House shall as soon as possible forward the request to the Clearing Member(s) concerned.

2.10.17 The Clearing House may on its own initiative, even if no request for cancellation has been made, contact Clearing Members concerned if, in the Clearing House’s opinion, a Clearing Member’s request for Exercise or Cash Settlement is incorrect. Such contact shall be taken no later than 90 minutes after EMP’s normal opening on the Bank Day after the Exercise or Cash Settlement was carried out.

2.10.18 The Clearing House will thereafter cancel the Exercise and Cash Settlements in question if all Clearing Members concerned consent to such measure. If not all Clearing Members concerned have approved the measure by 120 minutes after EMP’s normal opening on the Bank Day after the Exercise or Cash Settlement was carried out, no cancellation will be made.
2.11 Settlement of obligations with respect to Instruments cleared by the Clearing House takes place in the manner stated in this section and in accordance with the respective contract specification.

2.11.1 Settlement involving payment in Danish krone (DKK), euro (EUR), Norwegian krone (NOK), pound sterling (GBP) and Swedish krona (SEK) and United States dollar (USD) which is not connected with Delivery through Euroclear Sweden, VP, VPS, Euroclear Finland, Euroclear UK & Ireland or DTCC (U.S) (each a “Central Securities Depository”) takes place through the Approved Settlement Banks and concentration banks listed in the List of Approved Settlement Banks and in accordance with the routines governing settlement administered by the Clearing House.

2.11.2 Settlement involving payment in a currency other than DKK, EUR, GBP, NOK and SEK which is not connected with Delivery takes place through banks as designated by the Clearing House in accordance with the Clearing House’s instructions, as further set out below.

2.11.3 [Intentionally left blank]

2.11.4 Settlement involving Payment in connection with Delivery through a Central Securities Depository Euroclear Sweden, VP, VPS, Euroclear Finland, Euroclear UK & Ireland or DTCC (U.S) shall take place in accordance with the routines applied by Euroclear Sweden, VP, VPS, Euroclear Finland, Euroclear UK & Ireland and DTCC (U.S) such Central Securities Depository from time to time in conjunction with settlement with respect to the Instruments in question. If a Clearing Member does not in time fulfil its obligation regarding Delivery the Clearing House may, if this follows from the applicable contract specification (Buy-in), deviate from such routines. In addition, if a Counterparty or the Clearing House fails to timely perform Delivery of Deliverable Instruments (based on Swedish, Danish, Norwegian or Finnish shares, depository receipts or similar) a delay fee may be debited/credited in accordance with the Fee List in force from time to time.

2.11.5 Members that are not participants in the settlement system Central Securities Depository in which Delivery takes place must retain an institution which is such a participant in order to be able to fulfil their obligations with respect to Delivery and payment in connection with Delivery.

2.11.6 A Clearing Member who is not an Approved Settlement Bank must appoint an Approved Settlement Bank, and sign the Power of Attorney and Mandate, in order to fulfil its
The Clearing House thereafter issues payment instructions for debiting of the designated settlement account and receives electronic confirmation from the Approved Settlement

Settlement administered by the Clearing House

2.11.7 Settlement administered by the Clearing House covers payments in DKK, EUR, GBP, NOK, SEK and United States dollar (USD) that are not connected with Delivery through a Central Securities Depository. These Settlements relate to:

(i) Premiums
(ii) Fees
(iii) Cash Settlement
(iv) Other settlements unconnected with Delivery through a Central Securities Depository

If the Clearing Member fails to fulfill its obligations in accordance with the routines governing settlement administered by the Clearing House a delay fee may be debited/credited in accordance with the Fee List in force from time to time.

Settlement Basis

2.11.8 During the night before the Settlement Day, the Clearing House provides a settlement report with respect to the payments to be made or received. The settlement report includes a calculation of all Settlements with the same Settlement Day together with a net amount to be paid or received in respect of each account held or administered by a Clearing Member and aggregated for the Clearing Member.

Settlement exchange in DKK, EUR, GBP, NOK and SEK

2.11.9 On the Settlement Day, exchange of payments regarding Settlements in DKK, EUR, GBP, NOK and SEK takes place in accordance with the following. The Clearing Member must not later than 9.00 a.m. on the Settlement Day have at its disposal the necessary balance or credit facilities for debit on the designated settlement account with the Approved Settlement Bank.

The Clearing House thereafter issues payment instructions for debiting of the designated settlement account and receives electronic confirmation from the Approved Settlement Bank.
2.11.10 The Clearing Member shall, with respect to Settlement on its own behalf, not later than 10.00 a.m. on the Settlement Day,

(i) in relation to SEK, have at its disposal the necessary balance or credit facilities for debit on the Clearing Member’s OMX-LOM in RIX; and

(ii) in relation to DKK, EUR, GBP and NOK, ensure that payment in accordance with the settlement basis is completed to the Clearing House’s relevant account with the relevant concentration bank (or, as separately agreed with the Clearing House, to another account). All payments must be marked with the unique reference set out in the settlement basis.

2.11.11 The Clearing House issues payment instructions for exchange of payments in the respective concentration bank between Clearing Members that settle on their own behalf and Approved Settlement Banks. Thereafter, the Clearing House issues payment instructions not later than 12.30 p.m. for crediting of net settlements on the Clearing Member’s designated settlement account with the Approved Settlement Bank in accordance with the settlement report.

Settlement in USD

2.11.12 On the Settlement Day, exchange of payments regarding Settlements in USD takes place in accordance with the following. The Clearing Member must not later than 9:00 p.m. on the Settlement Day have at its disposal the necessary balance or credit facilities for debit on the designated settlement account with the Approved Settlement Bank.

The Clearing House thereafter issues payment instructions for debiting of the designated settlement account and receives electronic confirmation from the Approved Settlement Bank. Clearing Members shall transfer Settlement in USD to the Clearing House’s account with the bank designated by the Clearing House in accordance with the settlement basis provided by the Clearing House. Such transfer shall take place not later than the time stated by the Clearing House.

Settlement is executed when all payment transfers have taken place in accordance with the aforementioned.

2.11.13 The Clearing House issues payment instructions for exchange of payments in the concentration bank between Approved Settlement Banks. Thereafter, the Clearing House issues payment instructions not later than 4:00 p.m. for crediting of net settlements on the Clearing Member’s designated settlement account with the Approved Settlement Bank in accordance with the settlement report. [Intentionally left blank]
Settlement administered by Euroclear Sweden, VP, VPS or Euroclear Finland

Settlement effected through Euroclear Sweden, VP, VPS or Euroclear Finland includes Deliveries and thereto related settlement for Instruments which, in accordance with the respective contract specifications, are to be settled via Euroclear Sweden, VP, VPS or Euroclear Finland, as applicable. In such cases, Settlement and Delivery take place in accordance with the routines applied by Euroclear Sweden, VP, VPS or Euroclear Finland, as applicable, from time to time for net settlement with respect to the Instrument in question, and in the manner stated in the respective contract specification.

Settlement of Instruments based on Swedish, Danish, Norwegian or Finnish shares, depository receipts or similar Instruments

Settlement Basis

On the Bank Day following Exercise/Closing, the Clearing House provides the respective Clearing Members with a settlement report with respect to Settlements and Deliveries. The settlement report sets forth Settlements and Deliveries aggregated per Clearing Account and Integrated Trading and Clearing Account as well as totals for the Clearing Member.

Settlement

On the Settlement Day, Settlement takes place in accordance with Euroclear Sweden’s, VP’s, VPS’s or Euroclear Finland’s rules.

Settlement of share futures shall take place through:

(i) the difference between the last paid price for the Contract Share on the Expiration Day and Fix for the immediately preceding Bank Day being settled through the Clearing House in accordance with sections 2.11.7-2.11.11; and

(ii) delivery at such last paid price as referred to in (i) shall take place in the same manner as stated in the relevant contract specification.

Settlement of Fixed-Income Instruments or Similar Instruments

Settlement Basis

On the Expiration Day for a fixed-income or similar Instrument, the Clearing House provides a settlement report to the Clearing Members that shall Deliver one or several
Instruments included in a Contract Base. The settlement report shall state the quantity of Deliverable Instruments to be delivered and the Settlement in exchange for Delivery.

2.11.20 The Clearing House thereafter provides a settlement report in the Clearing System with respect to Settlement and Deliveries. Settlement and Deliveries are recorded per Clearing Account, Integrated Trading and Clearing Account and Clearing Member.

2.11.21 Settlement of interest futures and forwards takes place through:

(i) the difference between the Futures Price and Fix being settled through the Clearing House in accordance with sections 2.11.7 – 2.11.11; and

(ii) Delivery against Fix taking place through Euroclear Sweden.

Time Schedules

2.11.22 Not later than 4.00 p.m. on the Expiration Day for the relevant Instrument, the Clearing House notifies the relevant Clearing Members subject to delivery obligations as to the quantity of Deliverable Instruments to be delivered and the Settlement in exchange for Delivery, unless otherwise stated in the relevant contract specification. Where a Clearing Member, under a contract specification, has a right to choose between Instruments to be delivered, the Clearing Member shall notify the Clearing House not later than 6.00 p.m. on the same day which Deliverable Instruments that will be delivered unless otherwise stated in the relevant contract specification.

2.11.23 Not later than 8.45 a.m. on the Bank Day after the Expiration Day, the Clearing House notifies Clearing Members that are to obtain Delivery as to which Deliverable Instruments will be delivered and as to the Settlement to be paid, unless otherwise stated in the relevant contract specification. On the Settlement Day, settlement takes place in accordance with Euroclear Sweden’s or VP’s rules, as applicable.

2.11.24 [Intentionally left blank]

2.11.25 [Intentionally left blank]

Settlement against Delivery with respect to Clearing-Listed Instruments not settled through Euroclear Sweden, VP, VPS or Euroclear Finland

2.11.26 Clearing Listed Instruments with Delivery that are not settled through Euroclear Sweden, VP, VPS or Euroclear Finland are governed by the routines applied by the Clearing House from time to time for the settlement of such Instruments.

Settlement of Repos and Reversed Repos
Settlement Basis

2.11.27 On the Registration Day the Clearing House provides a settlement report in the Clearing System with respect to upcoming Settlement and Deliveries. Settlement and Deliveries are recorded per Clearing Account and Integrated Trading and Clearing Account for each Clearing Member. The settlement report states the quantity of Deliverable Instruments to be delivered or received, settlement amount per transaction and Settlement Day.

Settlement

2.11.28 Settlement of repo Contracts takes place in accordance with the rules and routines applied by Euroclear Sweden, the Central Securities Depository specified in the relevant contract specification from time to time for net settlement or simultaneous settlement with respect to the Instrument in question.

2.11.29 The Clearing House reports settlement transactions to the relevant Central Securities Depository, Euroclear Sweden directly after a repo Contract has been Recorded on the respective Counterparty’s account. Maximum amount per settlement transaction follows the rules applied by the relevant Central Securities Depository, Euroclear Sweden from time to time. If a repo Contract’s nominal amount exceeds the maximum amount applied by the relevant Central Securities Depository, Euroclear Sweden, the Clearing House will, in relation to the relevant Central Securities Depository, Euroclear Sweden, divide the settlement transaction into several smaller settlement transactions. The nominal amount of the settlement transactions reported to the relevant Central Securities Depository, Euroclear Sweden shall then primarily be the maximum amount. Only one of the divided settlement transactions shall have a lower amount than the maximum amount.

The Counterparties shall report the settlement transactions to the relevant Central Securities Depository, Euroclear Sweden in connection with a repo Contract has been Recorded. Corresponding procedure as described in the preceding paragraph regarding settlement transactions that exceed the maximum amount applied by the relevant Central Securities Depository, Euroclear Sweden shall be applied to the Counterparties’ settlement transactions at the relevant Central Securities Depository, Euroclear Sweden.

Settlement in relation to Client Accounts

2.11.30 Notwithstanding anything to the contrary above in this section 2.11, no netting of settlement amounts may occur between Customer Accounts and Client Accounts on the one
hand and other accounts. A Clearing Member that administers one or more Customer Accounts and/or Client Accounts may open and maintain (and the Clearing House supports) separate bank accounts (per settlement currency) for Settlements not connected with Delivery in relation to Customer and Client Accounts.

VAT

2.11.31 Any VAT on Settlement amounts will be invoiced separately by the Clearing House.

Allowances and El-Cert Delivery procedures

2.11.32 Allowances and El-Cert shall be delivered in accordance with the terms of each applicable Transaction and the Clearing Rules.

2.11.33 All delivery of Allowances and El-Cert under any Transaction shall be compliant with the applicable contract specifications and shall be delivered to the receiving Counterparty with full and valid title, free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person (except where in favour of the receiving Counterparty).

2.11.34 The risk of loss related to the Allowances or El-Cert or any portion of them transfers to the receiving Counterparty upon completed Delivery. A Delivery shall be deemed completed for the purposes of the Clearing Rules when the delivering Counterparty has received confirmation that the Allowances or El-Cert, as relevant, have been deposited to the applicable Delivery Point of the receiving Counterparty without any possibility of revocation by the delivering Counterparty, and any and all other requirements pursuant to the Clearing Rules in relation to the Delivery of Allowances or El-Cert are satisfied, including all regulatory or other approvals that may be required from the delivering Counterparty.

Netting

2.11.35 Delivery of Allowances or El-Cert owing from the Clearing House within a Series are, unless as otherwise set out in the individual contract specifications and subject to the Clearing House’s Delivery obligations vis-a-vis the Counterparty, distributed as fungible instruments on a randomised basis. A Counterparty shall have no right to receive any specific deliverables under any Transaction, and any correlation between the deliverables received from the selling Counterparty in a Transaction and the deliverables distributed by the Clearing House to the buying Counterparty in the corresponding Transaction shall be deemed purely coincidental.
2.11.36 References to Settlements being made on a net basis are to offsetting payments in the same
currency that would otherwise be due from a Clearing Member to the Clearing House and
from the Clearing House to the same Clearing Member that are automatically satisfied and
discharged and, if the aggregate amount that would otherwise have been payable by either
the Clearing House to the Clearing Member or by the Clearing Member to the Clearing
House exceeds the aggregate amount that would otherwise have been payable between the
Clearing House to the same Clearing Member in the opposite direction, replaced by an
obligation on whichever of the Clearing House or the Clearing Member would have had the
larger payment obligation to pay to the other the excess of the larger payment obligation
over the smaller payment obligation.

2.12 Liability

General

2.12.1 In respect of Contracts which
a) are Recorded on an Integrated Trading and Clearing Account; or
b) are Recorded on a Clearing Account
the Customer, Clearing Member, and the Clearing House shall be liable for the
performance of the obligations pursuant to the Contract to the extent set forth below.
Customers or Clearing Members shall provide Collateral for their undertakings to the
extent set forth in section 2.8.

2.12.2 A Clearing Member shall at all times be liable to the Clearing House for obligations
(including, for the avoidance of doubt, obligations in respect of which no Collateral has
been posted to the Clearing House) relating to Contracts Recorded on the Clearing
Member’s House Accounts.

2.12.3 A Customer shall at all times be liable to the Clearing House for the obligations relating to
Contracts Recorded on the Customer’s Customer Accounts.

2.12.4 (a) A GCM shall at all times be liable to the Clearing House for obligations (including, for the
avoidance of doubt, obligations in respect of which no Collateral has been posted to the
Clearing House) relating to Contracts Recorded on Omnibus Accounts (including any
Single-client Account connected to such Omnibus Account) and Individual Client
Segregated Accounts that the GCM holds (including, for the avoidance of doubt, such
accounts held in respect of NCMs).

(b) A DCM shall at all times be liable to the Clearing House for obligations (including, for the
avoidance of doubt, obligations in respect of which no Collateral has been posted to the
Clearing House) relating to Contracts Recorded on Omnibus Accounts (including any
2.12.5 A Clearing Member shall be jointly and severally liable together with its Customers for obligations pursuant to Contracts that are Recorded on the Customers’ Indirect Pledge Accounts, where the accounts are administered by the Clearing Member. The Clearing Member’s liability shall, however, be limited in accordance with the following:

(i) payment with respect to Premiums and clearing fees in accordance with the Fee List in force from time to time;

(ii) payment up to an amount corresponding to the most recently announced Margin Requirement and payment up to an amount corresponding to the most recent Daily Cash Settlement instruction (as calculated in respect of the relevant Indirect Pledge Account);

(iii) payment up to an amount corresponding to the first Margin Requirement and an amount corresponding to Daily Cash Settlement instruction which may be calculated pursuant to the Clearing Rules with respect to Contracts Recorded on the Indirect Pledge Account and which are not covered by the most recently announced Margin Requirement or Daily Cash Settlement instruction; and

(iv) penalty interest on amounts in accordance with (i)-(iii).

2.12.6 Where the Clearing House calculates an Intra-Day Margin Requirement or Extraordinary Margin Requirement (see sections 2.8.16-2.8.17) in respect of an Indirect Pledge Account, a Clearing Member’s liability with respect to such new Margin Requirement shall arise when the new Margin Requirement has been announced.

Clearing Member’s liability for Direct Pledge Accounts

Trading Account Administrator’s liability

2.12.7 A Trading Account Administrator shall be jointly and severally liable together with its Customers for obligations pursuant to Contracts Recorded on Direct Pledge Accounts, where the Transactions that gave rise to such Contracts were Registered on a Trading Account administered by the Trading Account Administrator. However, the Trading Account Administrator’s liability shall be limited in accordance with section 2.12.10 below and the following:

(i) payment with respect to Premiums and registration fees in accordance with the Fee List in force from time to time;

(ii) an amount corresponding to the Margin Requirement and an amount corresponding to
Daily Cash Settlement instruction which, according to the Clearing Rules, should be calculated for Contracts resulting from Registrations on the account during the same and preceding Registration Day; however, liability shall cease to apply where the Clearing House announces a Margin Requirement covering the Contract in question and the Customer provides necessary Collateral for such balance and has paid the Daily Cash Settlement with an amount corresponding to the Clearing Member’s liability for such settlement; and

(iii) penalty interest on amounts in accordance with (i) and (ii).

Where a Clearing Member acting as Trading Account Administrator is called to meet its obligations in respect of Margin Requirement, it will do so by posting the relevant Collateral to the relevant Direct Pledging Customer’s Collateral Custody Account.

2.12.8 In case of a Give-Up according to section 2.7.13 (i) which takes place after the closing of the EMP but on the same day, the Clearing Member will continually be liable with regard to Contracts given up to another account until the taking up Clearing Member or – where applicable – Customer has posted sufficient Collateral with regard to the first Margin Requirement that is calculated for the account to which the Contract has been given up.

2.12.9 In conjunction with the calculation of the Trading Account Administrator’s liability in accordance with section 2.12.7 (ii), the parameter values for the respective Contracts shall be used as were applicable at the close of trading on the day on which Registration took place.

2.12.10 In order to invoke payment pursuant to a Trading Account Administrator’s liability in accordance with section 2.12.7 (ii), the Clearing House must have notified the Trading Account Administrator, not later than 4.30 p.m. on the Bank Day following the day on which the Contract in question was Registered, that payment may be invoked. The Clearing House shall immediately thereafter notify the Trading Account Administrator with respect to the maximum amount that may be claimed from such party. Where payment is invoked pursuant to the Trading Account Administrator’s liability, the Clearing House shall provide an accounting of the manner in which the liability has been calculated.

2.12.11 Where several Trading Account Administrators are liable in accordance with section 2.12.7 (ii), liability in conjunction with any deficiency shall be apportioned between such parties in relation to their respective shares in the aggregate Margin Requirement as might be calculated in accordance with the same section. However, in such case liability shall be limited to the amount which, in accordance with the section, might be calculated for each of the Trading Account Administrators individually.

**Clearing Account Administrators’ liability**
A Clearing Account Administrator shall be jointly and severally liable with its Customers only for the following obligations in relation to Contracts Recorded on Direct Pledge Accounts, where such are the Customers’ Clearing Accounts, and where the accounts are administered by the Clearing Account Administrator:

(i) payment of clearing fees other than such as are referred to in section 2.12.7 (i); and
(ii) penalty interest on amounts in accordance with (i).

Clearing Member’s liability for Allocation through connection of Clearing Member’s Allocation Account to another Clearing Member’s Receiving Account

Allocating Clearing Member’s liability

A Clearing Member (an “Allocating Clearing Member”) shall be jointly and severally liable together with another Clearing Member for obligations pursuant to Contracts Recorded on such Clearing Member’s Receiving Account, as a result of Allocation through connection of the Allocating Clearing Member’s Allocation Account to such Clearing Member’s Receiving Account. However, the Allocating Clearing Member’s liability shall be limited in accordance with the following:

(i) payment with respect to Premiums and registration fees in accordance with the Fee List in force from time to time;

(ii) an amount corresponding to the Margin Requirement and an amount corresponding to Daily Cash Settlement instruction which, according to the Clearing Rules, should be calculated for Contracts resulting from Registrations on the account during the same Registration Day; however, liability shall cease to apply where the Clearing House announces a Margin Requirement covering the Contract in question and the Clearing Member provides necessary Collateral for such balance and has paid the Daily Cash Settlement with an amount corresponding to the Clearing Member’s liability for such settlement; and

(iii) penalty interest on amounts in accordance with (i) and (ii).

In conjunction with the calculation of the Allocating Clearing Member’s liability in accordance with section 2.12.13 (ii), the parameter values for the respective Contracts shall be used as were applicable at the close of trading on the day on which Registration took place.

In order to invoke payment pursuant to an Allocating Clearing Member’s liability in accordance with section 2.12.13 (ii), the Clearing House must have notified the Allocating Clearing Member, not later than 4.30 p.m. on the Bank Day following the day on which the Contract in question was Registered, that payment may be invoked. The Clearing House
shall immediately thereafter notify the Allocating Clearing Member with respect to the maximum amount that may be claimed from such party. Where payment is invoked pursuant to the Allocating Clearing Member’s liability, the Clearing House shall provide an accounting of the manner in which the liability has been calculated.

2.12.16 Where several Clearing Members are liable in accordance with section 2.12.13 (ii), liability in conjunction with any deficiency shall be apportioned between such parties in relation to their respective shares in the aggregate Margin Requirement as might be calculated in accordance with the same section. However, in such case liability shall be limited to the amount which, in accordance with the section, might be calculated for each of the Clearing Members individually.

Receiving Clearing Member’s liability

2.12.17 A Clearing Member shall be liable for obligations pursuant to Contracts Recorded on Receiving Accounts in accordance with the liability provisions in sections 2.12.4 (a) and (b) and in accordance with the following:

(i) payment of clearing fees other than such as are referred to in section 2.12.13 (i); and

(ii) penalty interest on amounts in accordance with (i).

Miscellaneous

2.12.18 Clearing Members that administer Indirect Pledge Accounts or Direct Pledge Accounts which are separate Clearing Accounts shall also be liable to the Clearing House for ensuring that Delivery or payment is not made to the account holder without the Clearing House simultaneously receiving performance from the account holder.