



## Rulebook for trading at NOREXECO ASA

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# 1. Introduction

## 1.1

NOREXECO ASA ("NOREXECO") is a regulated market place for financially settled commodity derivatives. Only Listed Products can be traded at NOREXECO. All products are Cleared Products and all Trades will be cleared by a clearing house.

NOREXECO is licensed by the Norwegian Ministry of Finance (Finansdepartementet) as a regulated market in accordance with the Securities Trading Act of Norway. NOREXECO is supervised by the Financial Supervisory Authority of Norway (Finanstilsynet (the National Competent Authority of Norway)).

## 1.2

An international and recognized clearing house ("Clearing House") acts as counterparty to Trades in Cleared Products. The Clearing House is authorized and supervised by the National Competent Authority of its home country and registered with ESMA.

## 1.3

Trade Members may carry out trades at NOREXECO provided they have been approved by NOREXECO in accordance with the membership requirements set out in the Rulebook and at all times have a valid Trade Membership Agreement.

## 1.4

Trade Members must be approved as Clearing Members or as Non-Clearing Members by the Clearing House and at all times have valid agreements with the Clearing House in order to Trade in Cleared Products at NOREXECO.

## 1.5

Where a Trade Member of category Non-Clearing Member enters into a Trade for its own account, or where any type of Trade Member enters into a Trade on behalf of a client, the Trade Member must ensure that it, or its client, has appropriate, legally effective arrangements in place pursuant to which the Trade Member or the client, as the case may be, becomes counterparty to the Trade pursuant to direct or indirect clearing arrangement with a Clearing Member.

## 1.6

All Orders and Trades are published in the Electronic Trading Platform (ETS). All Orders entered by use of the GUI of the ETS, via an API supported by the ETS or through NOREXECO Market Services (NMS) and referred to in this Rulebook are Orders.

## 1.7

Trade Members shall pay fees to NOREXECO according to the fee list and procedures defined in Appendix 3 – Fee list.

# 2. The Rulebook

## 2.1

The rules set forth in this Rulebook apply to NOREXECO and the Trade Members.

Clearing is regulated by the Clearing Membership Agreement, the Non-Clearing Membership Agreement, the rules of the Clearing House and regulations applying to the Clearing House.

## 2.2

Each Trade Member at NOREXECO shall sign the Trade Membership Agreement, cf Appendix 9 and an agreement for use of the ETS, cf Appendix 4.

## 2.3

Appendices to the Rulebook:

- Appendix 1 - Product Specification and Trading Schedule
- Appendix 2 - The NOREXECO Indices
- Appendix 3 - Fee List
- Appendix 4 - Electronic Trading System (ETS) – Agreement for ETS
- Appendix 5 - Market Conduct Rules
- Appendix 6 - Market Maker Agreement
- Appendix 7 - Settlement and Closing prices
- Appendix 8 – Membership Requirements
- Appendix 9 – Trade Membership Agreement
- Appendix 9a – Broker Membership Agreement

- Appendix 9b – Block Broker Membership Agreement
- Appendix 10 - Definitions and abbreviations
- Appendix 11 – Code of Conduct

### 3. Interpretations and modifications

Definitions and abbreviations used in this Rulebook, including Appendices and other agreements relating to NOREXECO are explained in detail in the Appendix 10.

#### 3.1

When the expression "time" is used in the Rulebook, it refers to Central European Time (CET).

#### 3.2

When time is expressed in weeks in the Rulebook, such period of time starts at 00.00 hours the Monday of that week and lasts to and including the immediately following Sunday at 23.59 hours. Any period of time expressed in months in relation to Products consists of a whole number of weeks.

#### 3.3

Chapters or section headings are included in the Rulebook for ease of reference only and shall not affect the interpretation or construction of the Rulebook.

#### 3.4

NOREXECO may at any time supplement and amend the Rulebook when deemed necessary or appropriate in order to ensure the proper operation of NOREXECO.

Supplements and amendments shall become effective and binding for all Trade Members upon publication by NOREXECO as set forth in clause 3.5 or at such subsequent date as specified in such publication.

Changes to the Rulebook, the Appendices or any written agreement between NOREXECO and the Trade Members that will affect the economic rights of Cleared Contracts, require a four (4) weeks' notice given by NOREXECO. An exception to the above may take effect if a Regulatory Body deems the required changes necessary.

### 3.5

NOREXECO will publish the Rulebook, the Trade Membership Agreement and the Appendices at [www.norexeco.com](http://www.norexeco.com).

### 3.6

In the event of conflict or inconsistency between the Rulebook and the Appendices, the Rulebook shall prevail.

### 3.7

This Rulebook shall be governed by and construed in accordance with the laws of Norway.

## 4. Trade membership requirements

### 4.1 Membership at NOREXECO

#### 4.1.1

NOREXECO offers the following categories of Membership:

- Trade Membership: Members that trade on their own behalf, for their own account and for eventual clients. A Trade member must be a Clearing Member of the Clearing House.
- Non-Clearing Membership: Members that trade on their own behalf, for their own account and for eventual clients, but Clear all Trades through a Clearing Member. The Non-Clearing Member must be a client of a Clearing Member.
- Broker Membership: A Brokerage firm. A Broker is entitled to forward Orders from other Trade Members to the ETS or NMS on their behalf and report Block Trades arranged between other Trade Members. A Broker Member may not trade on its own account at NOREXECO.
- Block Broker Membership: A Block Broker is entitled to report Block Trades between other Trade Members, to NOREXECO. A Block Broker member may not trade on its own account at NOREXECO.

- Clearing House Technical Membership: The Clearing House is entitled to enter Orders into the ETS or to NMS for execution and to report Block Trades as part of a Default Handling.

The term Trade Member is used as a general term and includes all categories.

#### 4.1.2

Before entering into a Trade Membership Agreement, NOREXECO will require documentation as set forth in Appendix 8 – Membership Requirements. NOREXECO shall only grant Trade Membership to companies or persons that are considered suitable to carry out trading at NOREXECO.

#### 4.1.3

Upon evaluation of an applicant for Trade Membership, NOREXECO may for clarification purposes require additional information than the information requested in the application form. This information may relate to the applicant's legal status, its MiFID II regulatory status, its Legal Entity Identifier code, its financial soundness, its technical systems and capability, its organization, level of competence and experience as well as other matters found relevant to NOREXECO's evaluation process.

#### 4.1.4

NOREXECO shall approve a Trade Member by returning a Trade Membership Agreement signed by NOREXECO.

#### 4.1.5

In order to ensure compliance by the Trade Member with the Rulebook, NOREXECO shall, subject to relevant statutory and regulatory limitations, such as bank secrecy obligations, have the right to access the offices of the Trade Member (including any facilities or temporary offices wherein data is stored by the Trade Member) at the request of NOREXECO in order to conduct audits and in order to obtain any information which NOREXECO reasonably deems necessary in order to monitor and ensure compliance with the Rulebook and in order to fulfill its obligations pursuant to applicable financial market legislation and regulations given pursuant thereto.

#### 4.1.6

Without limiting Trade Members responsibilities in accordance with this section 4, Trade Members for which NOREXECO is responsible to perform transaction and position reporting in accordance with MiFIR/MIFID II, shall provide the information necessary for NOREXECO to meet its Regulatory Transaction and Position Reporting requirements. NOREXECO shall make available further guidance regarding the information to be provided hereunder.

#### 4.1.7

NOREXECO has the right to maintain records for at least five years of all relevant data relating to all Orders in Listed Products to be able to comply with NOREXECO's order record keeping obligations under MiFIR.

#### 4.1.8

NOREXECO may at any time require information from relevant sources in order to evaluate the overall standing of a Trade Member or a membership applicant.

#### 4.1.9

A Trade Member shall as soon as possible notify NOREXECO in writing of any change in regulatory status or any of the information given in the Trade Membership Agreement signed by the Trade Member.

### 4.2 Trade Membership changes

#### 4.2.1

Changes to the Trade Membership Agreement, other than as stipulated in 3.4 above, require the approval of NOREXECO and the Trade Member.

#### 4.2.2

NOREXECO may at any time impose conditions to, or restrictions on, being/becoming a Trade Member in the jurisdiction in which a Trade Member is domiciled as specified in Appendix 8.



#### 4.2.3

NOREXECO may impose changes in a Trade Member's status as Trade Member due to suspensions and terminations in accordance with chapter 17 below.

#### 4.2.4

NOREXECO and the Trade Member may terminate the Trade Membership Agreement according to the terms set forth in the Trade Membership Agreement.

A termination becomes effective only after the Trade Member no longer has open positions in cleared NOREXECO products and without exceptions has settled all obligations related to NOREXECO and the Clearing House.

### 4.3 Responsible Persons, Traders, Risk users and Brokers

#### 4.3.1

The Trade Member shall appoint at least one Responsible Person.

#### 4.3.2

The Responsible Person is obliged to ensure the Trade Member's compliance with the Rulebook.

#### 4.3.3

Only Responsible Persons may nominate Traders and Risk users.

Only Responsible Person of a Broker Member may nominate Brokers. For the purpose of these Rules, the term Trader also includes the term Broker where relevant.

Nomination, amendment and deletion of Traders and Risk users shall be made in writing to NOREXECO. Only named Traders appointed by a Trade Member may trade at NOREXECO. A Trader, Risk user or Responsible Person is not validly appointed until approved by NOREXECO.

#### 4.3.4

A Trade Member may nominate a person outside its organization as a Trader only after written application to NOREXECO.

The application must state:

- whether the person shall access the ETS using the Direct Market Access or the Sponsored Access method,
- the risk controls in place,
- the technical arrangement used and
- other information required by MiFID II/MiFIR or requested by NOREXECO.

NOREXECO shall process and approve such applications according to the rules of MiFID II.

#### 4.3.5

A Trade Member is responsible for all acts and deeds of a Responsible Person or a Trader designated by it in relation to Trading at NOREXECO and Clearing with the Clearing House.

The Trade Member has the same liability for Orders which are submitted via Direct Market Access or placed through Sponsored Access as for Orders which the Trade Member places in any other manner. Therefore the Trade Member shall also be liable for any and all actions taken via the electronic connections to ETS in Trade Member's membership identity, regardless of whether such actions are taken by an authorized representative of the Trade Member, Trade Member's client or any other party.

NOREXECO may at its sole discretion suspend or terminate a Trader's approval if such Trader is deemed to be in breach of the rules set forth herein.

#### 4.3.6

The Trade Member is responsible for providing the Trader with all necessary authorizations in order to carry out Trading at NOREXECO on behalf of the Trade Member. Revocation of such authority shall be notified by phone and confirmed in writing to NOREXECO according to the procedure in Attachment I to the Trade Membership agreement.

If a Trade Member revokes the authority of all of the Traders and intends to continue trading, thus the Trade Member is required to appoint a new Trader subject to approval by NOREXECO.

## 5. Market Making

### 5.1

A market maker is a Trade Member who commits to quote binding buy and sell orders on the exchange operated by NOREXECO.

### 5.2

In order to take on the role as a Market Maker, a Trade Member is required to sign a Market Maker Agreement with NOREXECO.

### 5.3

The requirements for becoming a Market Maker are set forth in Appendix 6 - The Market Maker Agreement.

## 6. Rules for Listed Products

### 6.1

It is in NOREXECO's sole discretion to decide which products to list at the regulated market operated by NOREXECO. The standard terms applicable to the Listed Products are set forth in Appendix 1 - Product Specification and Trading Schedules.

### 6.2

A Listed Product may consist of a single Product or two or more combined Products. Listed Products are Traded, Cleared and settled in its designated currency according to Appendix 1 - Product Specification and Trading Schedule.

### 6.3

Information about Listed Products, Trading Days and Trading Hours are set forth in Appendix 1 - Product Specification and Trading Schedule.

### 6.4

NOREXECO may suspend any Listed Products from Trading, cf Chapter 13 below.

## 7. General Trading rules

### 7.1

NOREXECO will operate the Electronic Trading System (ETS) for all Listed Products, as regulated in Chapter 8.

### 7.2

NOREXECO will operate the NMS and provide support & service to its Trade Members related to Listed Products as regulated in Chapter 9.

### 7.3

NOREXECO will offer a Block Trade Facility to its Trade Members as regulated in Chapter 10.

### 7.4

A Trade Member may during Trading Hours carry out Trading in Listed Products. All Orders at NOREXECO will be published on the ETS, recorded in the ETS and stored for a full audit trail of the Orders. An Order is only valid after the required information, ref par 8.2 is present, and the order has passed the relevant risk controls. The Clearing House will provide Clearing of Trades.

### 7.5

Only Traders appointed in accordance with this Rulebook may place Orders at NOREXECO.

### 7.6

All Trades are subject to the acceptance by the Clearing House and the relevant Clearing Member.

## 7.7

Trading in the ETS or by assistance of NMS is subject to market wide Pre-Trade Limits related to price and volume on Orders. The market wide Pre-Trade Limits are set by NOREXECO and function as a circuit breaker to prevent the market from trading outside the limits. An Order that breaches a Pre-Trade Limit shall not be accepted by the ETS or the NMS.

## 7.8

The Trade Member is responsible for ensuring that the available limits in the ETS are known and used, that adequate pre-trade and post-trade controls and procedures are in place and shall have technical and administrative arrangements in place enabling it to cancel immediately, as an emergency measure, any or all of its unexecuted Orders submitted to NOREXECO.

## 7.9

Clearing Members may establish and agree with its affiliated Non-Clearing Members certain 'post Trade pre Clearing' limits. Trades executed in ETS, via the NMS or reported as Block Trades are subject to the 'post Trade pre Clearing control functionality' as implemented from time to time in systems used by the Clearing House.

## 7.10

The Trade Member is responsible for acting within the volume, price, risk or other limits agreed between the Trade Member and the affiliated Clearing Member.

## 7.11

A Trade that breaches the agreed 'post Trade pre Clearing' limits, cf section 7.8, will trigger a stop for further trading. When the Clearing House has informed NOREXECO of such a breach, NOREXECO shall, without undue delay, suspend all Orders and the trading rights for the Trade Member that breached the limit.

## 7.12

Due to risk control, a Clearing Member or the Clearing House may assign a HALT status, ref the Clearing Rules, and thereby close a clearing account for further trading. When the Clearing House has informed NOREXECO about a new HALT status, NOREXECO shall, without undue delay, suspend all Orders and the trading right for relevant Trade Members.

### 7.13

A Trade that is to be booked on a clearing account with HALT status will be rejected by the Clearing House. The Clearing House shall notify NOREXECO immediately of such rejection. NOREXECO shall, without undue delay inform the participants in the Trade and cancel the Trade in the ETS.

### 7.14

NOREXECO shall not disclose the identity of a Trade Member in connection with Trades or in connection with the handling of any Order, unless NOREXECO by a public authority or regulatory body is required to disclose such information.

## 8. Electronic Trading System

### 8.1

An Order may be entered into the ETS by use of the web based user interface of the ETS or electronically via an API supported by the ETS pursuant to the procedures set forth in Appendix 4 - Electronic Trading System ETS – Agreement for ETS or, alternatively, by requesting the NMS to act on the Trade Member's behalf, ref chapter 9.

- 1) A Trader given access to the web based user interface of the ETS may during the Trading hours
  - a) enter Orders directly into ETS
    - i) the Order will be checked for matching with one or more resting Orders. Depending on the conditions of the new Order and resting Orders, the new Order may be partly filled and the remaining volume will be placed in the Orderbook according to its price and time of entry.
    - ii) if the Order crosses the market, i.e. the price is better than one or more resting Orders on the other side, the price of the resting Order(s) will be used as the trade price. The incoming Order will be matched with resting Orders until the volume of the incoming Order has been filled, or no more resting Orders can be matched.
    - iii) if no match, the Order will be placed in the Orderbook according to its price and time of entry or be canceled.
  - b) Aggress the best available Order according to priority in the Orderbook. Aggressing a Sell Order creates a Buy Order on behalf of the Aggressor.

Aggressing a Buy Order creates a Sell Order on behalf of the Aggressor. No Order is created until a Trade is confirmed by the ETS.

- 2) A Trader given access to the ETS via an API supported by the ETS may during the Trading hours enter Orders electronically. Any such Order will be handled according to 1) a) above.
- 3) A Trader may during Trading Hours, cf. Appendix 1 – Product Specification and Trading Schedule, call NMS in order to place Orders or Aggress Orders, ref 1) above. The NMS shall enter the Orders and Aggress requested Orders in ETS on behalf of the Trade Member without undue delay.

## 8.2

When an Order is registered in ETS or an Order is placed with NMS, the Trader will be required to specify:

- Buy or sell order
- Order type
- Order duration
- Product series/Instrument
- Trade volume
- Trade price
- Period
- If applicable, the client ID
- Trader ID
- If applicable, identity of the person responsible for the investment decision if different from the Default value
- Identity of the person responsible for submitting the order (execution decision) if different from the Default value
- Whether the order, if executed, is risk reducing, i.e. the resulting Trade would constitute a hedge
- In what trading capacity the order is submitted, including whether the order is submitted as part of a Market Making Strategy or any other liquidity provision activity
- Clearing or Trading Account, if other than the Default value

## 8.3

The Order is binding until cancelled by the Trader, a Risk user or the validity time lapses. Cancellation can only be effectuated before the Order is Traded.

## 8.4

Cancellation of an Order becomes effective when the cancellation is recorded in ETS.

## 8.5

The Orders in the Orderbook are sorted according to priority: price and then time of entry. Unless the Order is an All or Nothing Order, priority is given to the Order with the best Order price and time of entry. Among Orders at the same Order price, the Order first recorded in ETS will be prioritized.

## 8.6

Only the Order with the highest priority may be Aggressed.

Closing of Trades follows the procedure set forth in Chapter 11 below.

## 8.7

An Orderbook Trade is established

1. only after
  - a. an Aggressor Trader has clicked in the Trade button in the Order panel related to the Aggressed order, or
  - b. a new, incoming Order has been matched with one or more resting Orders in the Orderbook, and
2. the Trade passes the relevant risk controls and
3. the ETS confirms the Trade has been established.

Closing of Trades follows the procedure set out in Chapter 11 below.

## 8.8

Aggressing an Order gives no priority or exclusivity to be awarded a Trade based on the aggressed Order. Two or more Traders may be in the process of Trading the Order simultaneously. The one who first clicks on the Trade button in the Order panel is awarded the Trade. Other Traders may also be awarded a Trade if there is remaining volume in the Aggressed Order.

## 8.9

Request for Quote is a function in the ETS whereby a Trader broadcasts his trading interest and invites all Traders to reply with firm Orders. A reply Order is an ordinary Order open for the Requestor or anyone else, to Aggress.



## 9. NMS Trading

### 9.1

NMS organizes Trading in Listed Products, including handling of Orders placed by Traders by communication with NMS, by telephone or e-mail to; desk@norexeco.com. Orders placed by e-mail must be confirmed received by NOREXECO NMS.

Traders with electronic access to ETS are entitled to an equal service level as other Traders when contacting NMS.

NOREXECO will facilitate Trading in a proper manner and provide services in a non-discriminatory way.

All telephone conversations with NMS will be recorded, and may as a matter of routine be deleted after a period of five – 5 - years unless such recorded conversations are relevant to disputes or market surveillance issues. In case of a dispute a Trade Member is, upon request, entitled to a transcript of any records of communications regarding its Trades at NOREXECO.

### 9.2

Orders placed with NMS must comply with clause 8.2.

### 9.3

All Orders placed with NMS will be registered in the ETS.

Upon receiving an Order, NMS will first call the Trade Members with the corresponding Order at the best price in the Order book in ETS for the relevant Product, and subsequent to that make calls pursuant to the priority rules set forth in clause 8.5 above.

### 9.4

All Orders that have been Matched by NMS, shall immediately be registered by NMS in the ETS as Trades, and subsequently, without undue delay, relevant Trade Members shall be informed about their participation in the Trade.

Closing of NMS Trades follows the procedure set out in chapter 11 below.

## 10. Block Trade Facility

### 10.1

NOREXECO may from time to time designate those Products that are eligible for being traded as Block Trades and the minimum number of lots that must be met or exceeded in a Trade in order to qualify as a Block Trade.

Block Trades may be submitted to NOREXECO Market Operations via e-mail or telephone within the prevailing opening hours of NOREXECO.

Block Trades may be registered in the ETS by Broker and Block Broker Members.

### 10.2

A Block Broker Member may submit Block Trades only for Trade Members who have appointed the Block Broker Member.

A Broker Member may submit Block Trades only for Trade Members who have appointed the Broker Member.

A Trade Member or Non-Clearing Member may submit Block Trades between itself and another Trade Member.

### 10.3

A Block Trade must be reported to NOREXECO within 15 minutes from the Contract Time. If the Block Trade is matched after the closing time and more than 15 minutes before the opening time of NOREXECO, the Block Trade must be reported at the opening time of NOREXECO.

### 10.4

NOREXECO may check the details of any submitted Block Trade. If NOREXECO, in its sole discretion, finds that any of the details of the Block Trade is invalid, or that the price or other elements of the negotiated transaction deviates significantly from market price or –terms, NOREXECO may void the Block Trade.

### 10.5

When a Block Trade has been accepted by NOREXECO according to 10.4, the participants in the Trade shall confirm the Trade to NOREXECO.

The Trade is entered into the ETS. Information about the Block Trade will be published in the ETS. Closing of Block Trades follows the procedure set out in Chapter 11.

## 10.6

The acceptance of a Block Trade by NOREXECO does not prohibit the Clearing House to reject the Block Trade from being posted to the Counterparties' clearing accounts, cf 7.6 – 7.12. In the event of a rejection by the Clearing House, NOREXECO shall cancel the Block Trade and broadcast a cancel message in the ETS. The Block Trade shall be deemed nulled and void.

## 10.7

The acceptance of a Block Trade by NOREXECO and the Clearing House does not prevent NOREXECO to investigate and eventually invoke disciplinary procedures in the event that the Trade is subsequently found to have been made other than in compliance with the Trading Rules.

# 11. Closing of Trades

## 11.1

Trade Members will be notified about Matching of their Orders in Listed Products in the ETS.

## 11.2

Subsequent to the creation of a Trade, all Trades will be given up to the Clearing House, whereupon Clearing will be effected immediately provided none of the affected Clearing Accounts are in HALT status as decided by the Clearing House.

## 11.3

The confirmation of the acceptance of a Trade for Clearing is given to the Trade Member according to the Clearing Rules.

#### 11.4

In the event that a Trade is not accepted for Clearing, the Clearing House will inform NOREXECO Market Operation immediately who in turn without undue delay shall inform the participants in the Trade about the rejection.

NOREXECO Market Operation shall cancel such rejected Trade and publish a Trade cancel message in the ETS.

The Orders that resulted in the rejected Trade shall be cancelled and void.

## 12. Trade Errors

#### 12.1

A Trade Member claiming that an Order leading to a Trade is due to a Trade Error must immediately, and no later than 10 minutes after receiving information about the Trade from NOREXECO, alert NMS by telephone, and without undue delay confirm such claim by email to NMS. Upon receipt of a written claim NOREXECO will immediately notify the Counterparty in the relevant Trade about such claim.

A Trade Member who fails to follow such procedures will be deemed to have accepted the Trade on the terms on which it is created, unless the Trade Member requests that NOREXECO ask the other Trade Member to accept a cancellation of the Trade, and the other Trade Member is willing to cancel the Trade.

After receiving a claim concerning a Trade Error, NOREXECO will send an e-mail to the Trade Member invoking the error, which includes documentation of the Order, e.g. e-mail communication with the parties to the Trade or, if relevant, a computer file containing phone conversations recorded by NOREXECO. NOREXECO shall present such documentation without undue delay following NOREXECO's receipt of the claim.

#### 12.2

In a case of a claimed Trade Error where the Order has been placed via NMS, the NMS recorded phone conversations and email correspondence relating to the Trade Error shall be deemed a source of correct information. In the event of any inconsistencies between the information in recorded phone calls and the information in the e-mails, the NMS recorded phone calls shall prevail.

If NOREXECO presents documentation which, in the sole opinion of NOREXECO, documents that a Trade Error has not occurred, the Trade shall be deemed binding upon

the Counterparties, save for in the face of a manifest error, where a Trade Error shall be deemed to have occurred.

### 12.3

In a case of a claimed Trade Error where the Order has been placed directly in the ETS, either as an Order entry or as a result of Aggressing a Passive Order, ref 8.1 a Trade Error shall only be deemed to have occurred in the face of manifest error.

### 12.4

NOREXECO shall without undue delay inform the other affected Trade Member that the Trade has been cancelled or is deemed binding.

## 13. Trading Suspension

### 13.1

NOREXECO may pursuant to the Securities Trading Act section 12-3 suspend all Trading in one or more Listed Products.

### 13.2

NOREXECO shall in relation to clause 13.1 exercise such discretion if, in NOREXECO's view, there are present circumstances:

- Affecting a number of Trade Members; or
- Making it unfair to continue Trading; or
- Affecting Trading such that Trading cannot take place in a proper manner; or
- Causing technical problems during Trading Hours.

During suspension of the Trading, no Trading will take place in Listed Products. Orders in Listed Products which have been registered but have not yet been subject to Aggression at the time of the suspension, will remain registered in ETS, and will be available for Aggression when the suspension is lifted. NOREXECO will inform the Trade Member about when trading will commence by posting information to such effect at [www.norexeco.com](http://www.norexeco.com).

### 13.3

The Clearing House may request NOREXECO, for risk purposes, to suspend Orders or Traders from the ETS, withdraw trading rights for a Trade Member and stop the Trade Member for further free trading. Such a request must be supported by a written explanation of the background for the request.

If a Clearing Member of the Clearing House is suspended from Trading according to this paragraph, all Non-Clearing Members affiliated with it, are also suspended until they are able to engage in trading through another Clearing Member.

## 14. Settlement prices

### 14.1

The Final Settlement Price for a Product is defined, calculated and published according to the specifications in Appendix 1 and Appendix 7 to the Rulebook..

### 14.2

Each Trading Day NOREXECO will set the Daily Settlement Price for each Listed Product. The Daily Settlement Price will be set at close of the Market pursuant to the NOREXECO closing rules, as set forth in Appendix 7 to the NOREXECO Rulebook.

## 15. Settlement of trades and default rules

### 15.1

Settlement of Cleared Trades will be organized by the Clearing House pursuant to the Clearing Rules of the Clearing House.

### 15.2

Settlement errors: A Trade Member that claims a settlement is erroneous is required to submit a written complaint to NOREXECO by e-mail immediately after the error is discovered and no later than 12:00 CET on the day of the settlement. Non-compliance with this requirement will be deemed as the Trade Member having accepted the Settlement as affected.

NOREXECO may decide that a correction shall be effected among the Trade Members involved pursuant to Appendix 2 – The NOREXECO Indices. Cleared Transactions requires the consent of the Clearing House.

### 15.3

Default rules for Cleared Trades are set forth in the Clearing House's Clearing Rules.

### 15.4

The Clearing House may declare a Clearing Member to be in default pursuant to the Clearing Rules.

In case of a declaration of default against a Clearing Member by the Clearing House, certain Orders may be entered into the ETS or given to NMS by the Clearing House acting as a Trade Member.

Trades arranged through the Default Handling may also be reported as Block Trades to NOREXECO.

## 16. Reporting of Positions

### 16.1

The provisions of this chapter 16 apply to reporting of positions in Listed Products traded at NOREXECO, the "Reportable Positions". For the avoidance of doubt, economically equivalent OTC contracts, EEOTC, is not subject to the reporting requirements of this chapter 16.

### 16.2

Trade Members shall on a format prescribed by NOREXECO report to NOREXECO the details of their own Reportable Positions as well as those of their clients and the clients of those clients until the end client is reached, hereinafter referred to as "Position Reports". The position report shall be according to regulatory requirements and at least contain the information needed to identify the position holder, the ultimate owner and whether the position is risk reducing or not.

### 16.3

Position Reports from Trade Member to NOREXECO are due on T+1 of any Trading Day at the time prescribed by NOREXECO.

#### 16.4

NOREXECO is required to, on a daily basis, provide the NCA of Norway with a complete breakdown of the positions held by all persons as reported in the Position Report according to section 16.2, hereinafter referred to as the “Daily Position Report”.

#### 16.5

NOREXECO is required to, if the thresholds and requirements of Article 83 of Commission Delegated Regulation (EU) 2017/ 565 are met, make public a weekly report with the aggregate information as reported in the Daily Position Report. NOREXECO will communicate the report to the NCA of Norway and to ESMA that will also publish the information included in those reports, hereinafter referred to as the “Weekly Position Report”.

### 17. Position limits

#### 17.1

The NCA of the country where NOREXECO is established, Norway, shall, if certain regulatory thresholds and conditions are met, establish and apply position limits on the size of a net position which a person can hold at all times in commodity derivatives traded on trading venues and economically equivalent OTC contracts as defined in MiFID II Article 57, hereinafter referred to as “Position Limits”. The named NCA is then responsible for the application of the Position Limits.

NOREXECO shall in any event define and enforce Position Limits.

#### 17.2

The provisions of this chapter 17 set out the position management controls to be applied by NOREXECO to enforce Position Limits. The following position management controls allow NOREXECO to:

17.2.1 Monitor the open interest positions in Listed Products which are reported in the Position Report; and

17.2.2 access information, including all relevant documentation about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements, and any related assets or liabilities in the underlying market; and



17.2.3 require a Trade Member to terminate or reduce a position held by the Trade Member or by other persons as reported in the Position Report, on a temporary or permanent basis as the specific case may require and to unilaterally take appropriate action to ensure the termination or reduction if the Trade Member does not comply; and

17.2.4 where appropriate require a Trade Member to provide liquidity back into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position.

## 18. Markets surveillance and market manipulation

### 18.1

Trade Members shall comply with the provisions set forth in Appendix 5 - Market Conduct Rules. Trade Members shall ensure compliance with such rules, in addition compliance with generally applicable market conduct rules as given by the Norwegian Securities Trading Act and other applicable regulations.

Clearing Members shall in addition comply with the Clearing House Rulebook and the default rules stipulated by the Clearing House.

### 18.2

In order to ensure fair Trading and prevent any attempt at market manipulation, NOREXECO shall monitor all Trading at ETS/NMS and Block Trades in accordance with best practice market surveillance. In the event NOREXECO suspects the occurrence of unfair Trading or market manipulation, NOREXECO may take any steps or actions it deems necessary in this respect.

### 18.3

In the event NOREXECO suspects that Trades have been entered into by using inappropriate Trading practices and/or constitute attempts to manipulate the market at NOREXECO, NOREXECO will notify the Norwegian Financial Supervisory Authority (Finanstilsynet). In such event, the Trade Member may be suspended pursuant to Chapter 19 below.

### 18.4

NOREXECO may at any time request information as further described in Appendix 5 – Market Conduct Rules.

## 18.5

The Trade Member agrees to provide NOREXECO with information as described in Appendix 5 - Market Conduct Rules.

# 19. Sanctions against Trade Members

## 19.1

NOREXECO's Rulebook is aimed at maintaining the integrity, orderliness, transparency and good reputation of its market. Where a Trade Member breaches the provisions of the Securities Trading Act, the Securities Trading Regulations, NOREXECO's Rulebook, NOREXECO's business terms and conditions or general good business practices, NOREXECO may:

- i) Issue a warning to the Trade Member;
- ii) Suspend the Trade Member from participation in Trading for a defined period of time;
- iii) Terminate the Trade Members membership and withdraw the right to participate in trading, provided that the breach is material;
- iv) Impose charges and/or fines as stipulated by sections 19.4 to 19.6.

## 19.2

NOREXECO will consider a number of factors when considering which sanctions to impose against a Trade Member in relation to a rule breach, such as but not limited to:

- The seriousness, size and nature of the breach
- The actual or potential consequences of the breach
- The extent to which the rule breach was intentional, grossly negligent or negligent
- Previous practices relating to similar breaches

## 19.3

If NOREXECO is of the opinion that a Trade Member no longer satisfies the criteria for membership in accordance with the Securities Trading Act section 12-4 3rd paragraph or the rules for membership in the Rulebook, or a material breach of any law or regulation has occurred, NOREXECO may Terminate the Trade Members membership;

#### 19.4

Where a Trade Member breaches the provisions of the Securities Trading Act or the Securities Trading Regulations, or materially breaches the rules of the Rulebook or NOREXECO's business terms and conditions, NOREXECO may in accordance with the Securities Trading Act section 12-9 and the Securities Trading Regulation section 12-10 second paragraph resolve to impose a violation charge, payable to NOREXECO. The charge may be set in accordance with the following rules:

- i) A maximum charge for a Trade member is NOK 2,500,000 for each violation that can be met with a charge
- ii) The Trade member shall be informed about NOREXECO's potential decision to impose a charge and the merits of the case. The Trade member shall have at least one week's notice to respond to the matter, before a decision is made.

#### 19.5

Where a Trade Member, its employees or officers fail to comply with the information requirements pursuant to the Securities Trading Act section 12-8 or the Securities Trading Regulations, NOREXECO may in accordance with the Securities Trading Regulation section 12-9 impose a daily fine on the Trade Member, its employee or officer until such time as the information requirement is complied with. The daily fine may not exceed NOK 500,000 per day for the Trade member firm and NOK 50,000 per day for employees or officers. NOREXECO may wholly or partly reduce the fine if special circumstances so dictate.

NOREXECO shall in its ruling decide on the time upon which the fine starts to accumulate and the size of the fine. The persons subject to the fine shall receive written information of the ruling and the grounds for the ruling.

#### 19.6

A Trade Member upon whom a daily fine or violation charge is imposed, shall be notified in writing of the decision and the grounds for the decision. NOREXECO's decision and the grounds for the decision shall be published.

Information shall also be provided regarding the right to appeal to the Exchange Appeals Committee in accordance with the Securities Trading Act section 12-10, the time limit for such appeal, and the appeal procedure. A Trade Member may appeal against a decision as set out in sections 19.3 and 19.4 above. Appeals must be made and will be handled in accordance with sections 12-10 through 12-12 of the Securities Trading Act.

A decision involving a warning to the Trade Member or suspension or withdrawal of membership may however not be appealed.

The Exchange Appeals Committee is a committee comprised of external members which considers appeals against the decisions of the Regulated Marketplace. The procedures followed by the Exchange Appeals Committee are set out in sections 12-10 through 12-12 of the Securities Trading Act. The Exchange Appeals Committee may uphold, quash or vary any decision it is asked to consider.

## 20. Liabilities

### 20.1

NOREXECO shall not be liable for any loss or damage that may arise as a result of any act or omission relating to any activity in connection with the Rulebook unless acting grossly negligent or with willful misconduct.

### 20.2

NOREXECO shall under no circumstances be liable for any indirect or consequential loss, general or consequential damages whatsoever, including loss of profits or Contracts.

### 20.3

NOREXECO shall not be liable for any damage or loss that may be caused to any equipment (hardware) or other software due to any viruses, defects or malfunctions in connection with access to ETS.

## 21. Miscellaneous provisions

### 21.1 Confidentiality

#### 21.1.1

With respect to trades and orders, NOREXECO will keep the identity of Trade Members at NOREXECO confidential to all other Trade Members.

#### 21.1.2

The Trade Member shall ensure that employees and parties retained to provide services to it are bound by a duty of confidentiality.

#### 21.1.3

NOREXECO shall ensure that Confidential Information is not disclosed to any person other than NOREXECO personnel, save for as required by law or by a public authority. NOREXECO employees have a duty of confidentiality as set forth in their employment agreement.

### 21.2 Data ownership

All data maintained, processed or recorded by, or provided to, NOREXECO shall belong to NOREXECO. NOREXECO may use and disclose such data at the NOREXECO marketplace at its own discretion, provided however that NOREXECO shall comply with section 21.1 above, as well as applicable data protection legislation and regulations as in force from time to time.

### 21.3 Severability

If at any time any provision of the Rulebook becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Rulebook nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

### 21.4 Force Majeure

#### 21.4.1

If a Force Majeure Event prevents a Trade Member from performing his obligations according to this NOREXECO Rulebook for trading, the time for performance of such

obligation shall be suspended for as long as the Force Majeure Event persists, subject to Section 21.4.2 below. As long as the Force Majeure Event persists, no breach of the provisions in the NOREXECO Rulebook shall be deemed to have taken place and sanctions under the regulations of Chapter 19 shall not be incurred, and no suspension can be incurred towards the Trade Member in accordance with Chapter 13.

If the Force Majeure Event prevents the Trade member from cancelling Orders and one or more such Orders have become part of a Trade, such Trades are valid trades for the risk and account of the Trade Member. NOREXECO may however, during the same Trading Day and provided counterparties to such Trades agrees, cancel or amend such Trade if NOREXECO deems the Trade would not have taken place if the Force Majeure Event would not have occurred.

#### 21.4.2

A Trade Member shall only be entitled to claim relief due to a Force Majeure Event under this Section if the Trade Member:

- a) complies with Sections 21.4.3; and
- b) continues to seek to perform its obligations pursuant to the Rulebook to the best of its abilities.

#### 21.4.3

A Trade Member seeking relief under Section 21.4.1 shall:

- a) notify NOREXECO as soon as practically possible after it becomes aware (or should reasonably have become aware) of the Force Majeure Event, reasonably evidencing that a Force Majeure Event has occurred; and
- b) as soon as practically possible provide to NOREXECO a non-binding estimate of the expected duration of its inability to perform its obligations pursuant to the Rulebook; and
- c) on request promptly provide all further information required by NOREXECO to determine whether a Force Majeure Event has occurred and/or information in relation to affected Orders; and
- d) promptly take such actions in respect of Orders registered as NOREXECO deems reasonably necessary or desirable in light of the Force Majeure Event.

### 21.5 No Waiver

Failure by NOREXECO to exercise, or any delay on its part in exercising any of its rights under the Rulebook, shall not operate as a waiver of its rights or remedies.

## 21.6 Notices

Any notification or other communication specific to a Trade Member which is required to be made in writing according to the Rulebook may be transmitted by any means of communication producing or permitting reproduction of a written or printed text of the notice. Any such notification or communication shall be deemed to have been received when effectively delivered to the recipient's address or transmitted to the Trade Member's electronic mail address.

## 21.7 Code of Conduct

- a) NOREXECO represents that the Code of Conduct described in Appendix 11 is the valid and in force Code of Conduct for NOREXECO
- b) NOREXECO undertakes to comply with the provisions of the prevailing Code of Conduct.

## 22. Disputes

### 22.1

In the event of a dispute between NOREXECO and the Trade Member, or between two Trade Members, the disputing parties are obliged to use their best efforts to resolve such dispute amicably, in good faith and in a spirit of mutual understanding and co-operation.

### 22.2

The Rulebook and its Appendices are subject to and shall be interpreted and construed in accordance with Norwegian law.

### 22.3

Any claim or controversy related to the Rulebook, the Appendices or the Trade Membership that does not relate to an administrative decision by NOREXECO and which cannot be resolved amicably shall be resolved by arbitration in Oslo in accordance with the Norwegian Arbitration Act of 14 May 2004 no 25.

A dispute relating to administrative decisions by NOREXECO shall be resolved by the Norwegian courts, with Oslo as selected legal venue, cf section 12-13 of the Securities Trading Act.

## 22.4

Each of the disputing parties shall appoint one arbitrator and the arbitrators so appointed shall appoint a third arbitrator to act as umpire. If the arbitrators appointed by the parties are unable to agree on the appointment of an umpire, such umpire shall be appointed by the Chief Justice of Oslo City Court, Norway.