



NOREXECO Rulebook

Appendix 7

Final Settlement and Daily Settlement Prices

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1 Underlying Benchmarks or Indices

All NOREXECO products are financially settled against Benchmarks or average of Benchmarks. The underlying Benchmarks or Indices are described in Appendix 2 to the Rulebook.

NOREXECO uses average of weekly Benchmarks from:

- Fastmarkets FOEX for futures contracts on:
 - Asian Pulp PIX BHKP China net, and
 - European Recycled Paper PIX OCC 1.04.
- Fastmarkets RISI for futures contracts on NBSK CIF China

NOREXECO uses monthly Benchmarks from:

- Fastmarkets for futures contracts on
 - NBSK spot Europe
 - BEK spot Europe
- NOREXECO for futures on
 - NOREXECO Shanghai Final Index.

The NOREXECO Shanghai Pulp Futures is settled against the NOREXECO Shanghai Final Index, a NOREXECO calculated Benchmark based on the SHFE Final Delivery Settlement Price for the monthly contracts traded at SHFE.

NOREXECO is the BMA for the NOREXECO Shanghai Final Index.

2 Products based on weekly Benchmarks

2.1 NOREXECO Final Settlement Index (NFSI)

The NOREXECO Final Settlement Index is the average of the weekly Benchmarks published by Fastmarkets FOEX and Fastmarkets RISI within a month. NOREXECO calculates and publishes a monthly NOREXECO Final Settlement Index (NFSI) on the expiration day for the relevant financial Products.

The monthly NFSI contains 4 or 5 weekly indices depending on the number of Index/publication days within the relevant month. The NFSI will be an arithmetic average, two decimals rounded, of those weekly indices.

The NFSI will be calculated and published on the last Index Day in the month.

2.2 Final Settlement Price

The Final Settlement Price of a financial Product is equal to the NFSI as calculated by NOREXECO.

3 Products based on single Benchmark/index

The Final Settlement Price for Products based on a single Benchmark/Index is equal to the value published on the index day by the Benchmark/index provider.

The NOREXECO Shanghai Final Index (NSFI) is calculated by NOREXECO based on the SHFE Final Delivery Settlement Price (FDSP). See Appendix 1 to the Rulebook for specification. The settlement price on the expiration day for a contract is equal to the NSFI.

4 Daily Settlement Price

The NOREXECO Market Service shall set the Daily Settlement Price for each Product on each trading Day, including the Last Trading Day based on price data from the Markets or other sources, which provide price data for the relevant Products. The Daily Settlement Price shall reflect the market value of the Product at the end of Trading Day.

Block Trades are not included in the basis for the procedure for calculation of the Daily Settlement Price.

Where price data is available from the NOREXECO ETS, NOREXECO shall calculate the Daily Settlement Price as follows:

- Daily Settlement Price of a Product is set to:
 - The volume weighted average trade price based on all trades within the last 30 minutes of the Trading Day.
 - If there are no trades within the last 30 minutes of the Trading Day, a mid-point is calculated using the best *bid* and best *ask* from the last 30 minutes of the Trading Day.

- If there are no transactions or orders within the last 30 minutes of the Trading Day, a mid-point is calculated using best *bid* and best *ask* from earlier in the Trading Day
- If no Transactions or orders have been entered into the market that Trading Day, the NOREXECO Market Service will set the Daily Settlement Price.
- If the Daily Settlement Price is set by NOREXECO Market Service the following, but not limited to, parameters will be considered:
 - Transactions during the Trading Day
 - Bids and Asks during the Trading Day
 - The Daily Settlement Price of Products related in time
 - The Daily Settlement Price of Products in related Products
 - Movement in the underlying Benchmark
 - Fastmarkets FOEX PIX'es when relevant
 - Fastmarkets spot indices when relevant
 - Fastmarkets RISI indices when relevant
 - Prices on SHFE when relevant.

Notwithstanding the above, NOREXECO Market Service may set a different Daily Settlement Price if, in its opinion, the Daily Settlement Price set according to the procedure above has been subject to manipulation.

In case of claims of an incorrect Daily Settlement Price(s) by one or several market participants, NOREXECO will consult with the Price Board.

5 Errors in pricing

If, before 12 CET on a Trading Day, a Member notifies NOREXECO of, or there otherwise comes to the attention of NOREXECO, an alleged or apparent error in the calculation of a Daily Settlement Price of the previous Trading Day, with reference to which such a price has been calculated, NOREXECO shall, immediately, and without any undue delay, use sufficient effort to correct any error in the Daily Settlement Price, if in its opinion an error has been made. Such corrections also requires the consent of the Clearing House.