

## A.3 CONTRACT SPECIFICATIONS TM DERIVATIVES

This appendix contains contract specifications for TM derivatives traded on Oslo Connect.

Oslo Børs ASA's Rules for trading and price quotation in derivative contracts on Oslo Børs ("Derivatives Rules") part A.2 General rules for derivative contracts, applies to TM derivatives when applicable.

TM contracts subject to contract administration will not under any circumstances be adjusted by Oslo Børs, and is not governed by the Derivatives Rules A.2.2 or the specific provisions mentioned below.

### (1) Contract document

The contract specifications are supplemented by the contract document. The contract document is established between the parties when entering into a TM derivative contract where the specific terms and conditions for the contract are described. The contract document is submitted electronically via EDGE.

### (2) Contract adjustments due to corporate actions etc. for TM stock derivative contracts

In the event of corporate actions for the underlying stocks or other special circumstances, the contract terms for existing derivative contracts may be adjusted according to the Derivatives Rules A.2.2, with the following specific provisions for TM derivatives:

a) For stock forwards, the contracts will be adjusted provided "Normal" is specified in the contract document. Where "NoDiv" is specified in the contract document, the parties to the contract will have to agree on the adjustment method used as Oslo Børs will not perform any adjustments. For "NoDiv" contracts, Oslo Børs will still adjust for stock split and reverse stock split. In addition, Oslo Børs may perform adjustments due to other corporate actions where an adjustment is necessary from a clearing point of view.

b) For adjustment due to stock dividend, the Derivatives Rules A.2.2.8 1a) will be used, except as mentioned in section a).

c) The following shall apply in the event of a suspension of the underlying stock

i) The expiration date shall not be changed.

ii) Automatic exercise will not take place, hence exercises must be registered manually with the co-operating clearing house. Oslo Børs may impose an exercise ban for the whole or parts of the suspension period.

iii) Delivery of underlying stocks will be postponed until the suspension period has ended, so that the delivery transaction shall be registered the first trading day the stock is re-admitted for quotation, with the settlement the third trading day thereafter.

d) The following shall apply in the event of deletion, temporary deletion or long-term suspension of the underlying stock

i) Oslo Børs may decide that the expiration date shall be changed.

ii) Oslo Børs may decide that expiry cash settlement shall occur for derivative contracts where the contract document states delivery settlement. The fixing value is determined according to A.2.2.14, but such that Oslo Børs may decide to stipulate another fixing value if Oslo Børs considers the trading basis to be

## CONNECT RULES

---

unsatisfactory. The settlement shall occur the second trading day after the decision of expiration settlement has been determined.

iii) Oslo Børs may decide to impose delivery settlement against the payment of the forward price, where the contract document declares expiry cash settlement. Oslo Børs decides the settlement date.

e) Oslo Børs may also in other special circumstances, declare that expiry cash settlement shall take place pursuant to section d) ii), including circumstances where the net open balance of option and future/forward classes with the same underlying instrument exceeds a level determined by Oslo Børs.

# CONNECT RULES

---

## A.3.1 TM STOCK OPTIONS

Contract type	TM option contract with premium settlement and delivery settlement.
Option style	American or European as stated in the contract document.
Option type	Put option or call option as stated in the contract document.
Underlying instrument	The stock shown in the contract document.
Contract size	100 underlying stocks.
Exercise price	Price in NOK per underlying stock as stated in the contract document.
Option premium	Agreed between buyer and seller and stated in the contract document as a premium calculated per underlying stock.
Final registration time	Registration of trades executed outside Oslo Connect must be received by the end of EDGEs opening hours on the expiration date.
Closing trades	Closing trades may take place on any trading day up to and including the expiration date.
Exercise	In the case of American options, manual exercise can take place on any trading day up to and including the expiration date. In the case of European options, automatic exercise takes place on the expiration date unless the contract document specifies that manual exercise is permitted, in which case manual exercise will only be permitted on the expiration date. The holder of a call option will only be recorded as a shareholder of an underlying stock on the given "Record Date" if the option is exercised at least one trading day prior to the ex-date for the underlying stock in question. Oslo Børs can accept no responsibility for failure of a member to exercise an option in good time. Automatic exercise of call options requires that the fixing value of the underlying stock exceeds the exercise price by at least 1% of the exercise price, and for put options that the fixing value of the underlying stock is less than the exercise price by at least 1% of the exercise price.
Fixing value	Calculated by Oslo Børs in accordance with the Derivatives Rules A.2.2.14.
Settlement	The premium settlement date is the third trading day after the trade date, subject to premium settlement being declared in the contract document. The stock settlement date is the third trading day after exercise. For additional information, see the rules of the co-operating clearing house.
Expiration date	The day shown in the contract document.
Expiration month	The month shown in the contract document.
Expiration year	The year shown in the contract document.

## A.3.2 TM STOCK FORWARDS

Contract type	TM forward contract with delivery settlement and expiry cash settlement.
Underlying instrument	The stock shown in the contract document.
Contract size	100 of the underlying stocks.
Forward price	Price in NOK per underlying stock as stated in the contract document.
Final registration time	Registration of trades executed outside Oslo Connect must be received by the end of EDGEs opening hours on the expiration date.
Balancing trades	Closing trades are not permitted. However, balancing trades may be carried out on each trading day up to and including the expiration date. For additional information, see the rules of the co-operating clearing house.
Fixing value	Calculated by Oslo Børs in accordance with the Derivatives Rules A.2.2.14.
Settlement	The stock settlement date and the expiry cash settlement day is the third trading day after exercise. For additional information, see the rules of the co-operating clearing house.
Expiry cash settlement	Cash settlement of the difference between the fixing value and the forward price.
Contract adjustment	Contract adjustment is performed according to the Derivatives Rules A.2.2, including the specific provisions reported above in A.3 section (2) a).
Expiration date	The day shown in the contract document.
Expiration month	The month shown in the contract document.
Expiration year	The year shown in the contract document.

## CONNECT RULES

---

### A.3.3 TM INDEX OPTIONS

Contract type	TM option contract with expiry cash settlement.
Option style	European as stated in the contract document.
Option type	Put option or call option as stated in the contract document.
Underlying instrument	The index shown in the contract document.
Contract size	Index value multiplied by NOK 100.
Exercise price	The index value stated in the contract document.
Option premium	Agreed between buyer and seller and stated in the contract document for a one-hundredth part of an option contract.
Final registration time	Registration of trades executed outside Oslo Connect must be received by the end of EDGEd opening hours on the expiration date.
Closing trades	Closing trades may take place on any trading day up to and including the expiration date.
Exercise	Automatic exercise takes place on the expiration date unless the contract document specifies that manual exercise is permitted, in which case manual exercise will only be permitted on the expiration date. Automatic Exercise requires that the expiry cash settlement is positive for the holder, taking into account fees.
Settlement	If premium settlement is specified in the contract document, this shall take the form of cash settlement on the third trading day after the transaction date.
Expiry cash settlement	The issuer of a call option shall pay the holder any positive difference between the closing index value and the exercise price. The issuer of a put option shall pay the holder any positive difference between the exercise price and the closing index value. The settlement date is the third trading day after exercise.
Closing index value	The fixing value of the underlying index on the expiration date.
Expiration date	The day shown in the contract document.
Expiration month	The month shown in the contract document.
Expiration year	The year shown in the contract document.

## CONNECT RULES

---

### A.3.4 TM INDEX FORWARDS/FUTURES

Contract type	Expiry cash settlement (forward) or daily market cash settlement (future).
Underlying instrument	The index shown in the contract document.
Contract size	Index value multiplied by NOK 100.
Forward/Future price	Agreed between buyer and seller and stated in the contract document for a one-hundredth part of a future/forward contract.
Final registration time	Registration of trades executed outside Oslo Connect must be received by the end of EDGEd opening hours on the expiration date.
Closing trades	Closing trades for futures may take place on any trading day up to and including the expiration date. Closing is not permitted for forwards, however offsetting trades can be carried out on each trading day up to and including the expiration date, subject to more detailed requirements in the rules of the co-operating clearing house.
Settlement	<p>For futures, settlement is calculated every trading day (T) with cash settlement on the second trading day (T+2) after the relevant trading day (T) up to and including the second trading day following the expiration date. For additional information, see the rules of the co-operating clearing house.</p> <p>For forwards, cash settlement is the difference between the fixing value and the forward price.</p>
Closing index value	The fixing value of the underlying index on the expiration date.
Expiration date	The day shown in the contract document.
Expiration month	The month shown in the contract document.
Expiration year	The year shown in the contract document.