

Oslo Clearing ASA

General Terms for Clearing of Trades in Equity Markets Instruments

1 General provisions

1.1 Introduction

These rules (the “Clearing Rules”) regulate Clearing with Oslo Clearing ASA (“Oslo Clearing”) of Trades on the Marketplaces in Equity Market Instruments approved for Clearing.

Oslo Clearing provides a clearing facility whereby Oslo Clearing enters into Trades as the central counterparty being liable to each Clearing Member for settlement of the Trade. Oslo Clearing will calculate Margin Requirements and obtain Collateral from the Clearing Members, carry out settlement in accordance with the Clearing Rules and otherwise meet its obligations and exercise its rights pursuant to the Clearing Rules.

The Clearing Rules establish the rights and duties of Oslo Clearing and of the Clearing Members in connection with Clearing as mentioned in the above paragraph. By signing the Clearing Membership Agreement the Clearing Member agrees to be bound by the Clearing Rules as in force at any time while Oslo Clearing accepts the Clearing Member as a Clearing Member.

The Clearing Rules consist of these General Terms with the following agreements and appendices:

- A: Clearing Membership Agreement
- B: Financial Collateral Agreement with schedules

- 1: Definition Appendix
- 2: Clearing Membership Requirements
- 3: Clearing Fund Appendix
- 4: Clearing Schedule
- 5: Fee Appendix
- 6: Margin and Collateral Appendix
- 7: Settlement Appendix with schedules
- 8: NCM Declaration
- 9: Rules for handling of Complaints

1.2 Currency

Cash settlement shall be made in the currency specified by the Marketplace with respect to the relevant Equity Market Instrument.

1.3 Local time

The operating hours and deadlines specified in the Clearing Rules shall be in CET unless otherwise stated.

1.4 Consideration

Oslo Clearing shall be entitled to claim such consideration, charges and fees from the Clearing Members as are set out in Appendix 5.

1.5 Amendments to the Clearing Rules

Oslo Clearing shall give adequate prior written notice of any planned amendments and additions to the Clearing Rules to all Clearing Members and to the Norwegian Securities Dealers Association (“NSDA”) and/or other representative organisations for Clearing Members. Clearing Members and such organisations may, no later than five Clearing Days after receipt of the announcement, request prior consultation.

Oslo Clearing shall notify all Clearing Members of a decision to amend the Clearing Rules no later than 4 weeks before the amendment or addition comes into force and no later than 8 weeks before an amendment comes into force if it is likely to require changes to the technical systems of Clearing Members.

Notwithstanding the provisions above, if any legislation, regulation, court decision, resolution by the authorities or other imperative reason makes it reasonable taking into account the potential interests of the Clearing Members, promptly to implement an amendment or addition, or it is clearly evident that prior consultation is unnecessary, the amendment or addition may be implemented immediately with reporting and possible consultation taking place after implementation.

~~Shorter notice periods for amendments or additions to the Appendices may be set forth in each Appendix.~~

Changes to the Clearing Rules apply ~~only~~ to ~~new Trades~~Clearing Transaction registered in the Clearing System ~~after~~as from the date on which the change comes into effect.

Shorter notice and entry into effect periods for amendments or additions to the Appendices may be set forth in each Appendix.

2 Conditions for Clearing Membership

2.1 Types of Clearing Membership

A Clearing Member may be accepted either as a Direct Clearing Member (DCM) or as a General Clearing Member (GCM).

2.2 Entities which may become a Clearing Member

The following entities may apply for Clearing Membership:

- a. Investment firms that are authorised to provide investment services referred to in MiFID Annex 1 Section A (2) (execution of orders on behalf of clients) and/or Section A (3) (dealing on own account).
- b. Credit institutions that are authorised to provide investment services referred to in MiFID Annex 1 Section A (2) (execution of orders on behalf of clients) and/or Section A (3) (dealing on own account).
- c. Co-operating Clearinghouses.
- d. Other entities, including entities similar to those described above that have their head office in states other than the EEA, subject to specific approval by Oslo Clearing.

2.3 Applications for Clearing Membership

Applications for Clearing Membership shall include the information specified in Appendix 2. Oslo Clearing reserves the right to require further information and documentation from the applicant.

Oslo Clearing reserves the right to impose requirements or restrictions for Clearing Membership. Such requirements shall have justifiable basis and not discriminate against applicants domiciled in other EEA states.

Oslo Clearing will only admit to Clearing Membership such entities that Oslo Clearing, in its sole discretion, considers fit and proper for membership, all in accordance with applicable laws.

Oslo Clearing shall inform the applicant of the result of the application process as soon as possible and no later than 30 Clearing Days after Oslo Clearing receives the application. If the application does not contain the information required, the time limit will run from the date on which all such information was received.

The applicant shall notify Oslo Clearing in writing of any change in the information provided in the application, and of relevant circumstances which may be of significance for the applicant's ability to comply with the Clearing Rules.

An approved Clearing Member shall before commencing Clearing through Oslo Clearing meet the requirements specified in appendix 2.

If the Clearing Member does not commence Clearing through Oslo Clearing within 6 months

of the notice of approval, the approval as a Clearing Member will automatically be annulled and a new approval will be required unless otherwise decided by Oslo Clearing.

3 Procedural time limits

Oslo Clearing shall process applications and inquiries from Clearing Members regarding setting up accounts, requests for Clearing and other matters within reasonable time, and as efficiently as possible. [More detailed time limits are set out in Appendix 4.](#)

4 Account structure

4.1 Accounts in the Clearing System

Oslo Clearing's standard account plan includes the following accounts for each Clearing Member in the Clearing System:

- ~~a. Trading Account, on which each Trade subject to Clearing and for which the Clearing Member is responsible, is registered as a Gross Clearing Transaction.~~
- ~~b.a.~~ Clearing Account on which the Clearing Member's Gross Clearing Transactions and Net Clearing Transactions are registered.
- ~~e.b.~~ Margin Account, on which the Clearing Member's Margin Requirement in respect of one or more [linked](#) Clearing Accounts, is shown.
- ~~d.c.~~ Collateral Service Account, containing information on the Collateral provided by the Clearing Member.
- ~~e.d.~~ Margin Service Account, on which the Clearing Member's Margin Requirement in respect of specified ~~sub~~-accounts to its Clearing Accounts, is shown.

Oslo Clearing will upon request establish multiple ~~Trading Accounts and~~ Clearing Accounts for a Clearing Member. ~~These accounts~~ [Multiple Clearing Accounts](#) may either be linked to a joint Margin Account or to separate Margin Accounts.

The Clearing Member may also establish a Segregated Account structure, where a Clearing Account is linked to a single Margin Account and one or more separate Collateral Accounts; ~~and where the accounts are specified to be "Segregated Accounts. The Segregated Account structure is established in the Clearing System by marking the applicable Margin Account as "Segregated Account".~~

~~Oslo Clearing will not be entitled to offset/net claims and obligations related to Segregated Accounts against claims/obligations related to other Clearing Accounts.~~
[As provided for in the Clearing Rules Oslo Clearing may net and offset against the Clearing Member, hereunder between the Clearing Member's Clearing Accounts, with the exception that Oslo Clearing may not net or offset Oslo Clearing's claims on the Clearing Member in](#)

[respect of non-segregated accounts against claims due to the Clearing Member that relate to a Segregated Account.](#)

4.2 Collateral Accounts

4.2.1 *General*

A Clearing Member shall establish one or more Collateral Accounts for each Margin Account. [As provided for in the Clearing Rules, Oslo Clearing may utilise Collateral on any Collateral Account to cover for loss incurred by Oslo Clearing hereunder losses related to a Segregated Account, however](#) Oslo Clearing will not be entitled to utilise Collateral placed for Segregated Accounts to cover claims/obligations related to other Clearing Accounts. Clearing members shall hold designated Collateral Accounts for Clearing Fund Contribution.

4.2.2 *Cash Collateral*

A Clearing Member that wishes to provide Cash Collateral shall establish a Cash Collateral Account with a Collateral Bank. The account shall be pledged in favour of Oslo Clearing by the Clearing Member signing the Financial Collateral Agreement with schedule A.

4.2.3 *Collateral in the form of Financial Instruments*

A Clearing Member that wishes to provide Collateral in the form of Financial Instruments shall establish a Custodian Account or VPS Account. Such account shall be pledged in favour of Oslo Clearing by the Clearing Member signing the Financial Collateral Agreement with schedule B or C.

5 **The Clearing Member's obligations**

5.1 Financial requirements

A DCM shall have Regulatory Capital of at least NOK 40 million, ~~in addition to meeting.~~ [Notwithstanding this, the DCM shall meet](#) any regulatory financial requirements applicable for the business activity the DCM is authorised to conduct.

A GCM shall have Regulatory Capital of at least NOK 500 million ~~in addition to meeting.~~ [Notwithstanding this, the GCM shall meet](#) any regulatory financial requirements applicable for the business activity the GCM is authorised to conduct.

Oslo Clearing reserves the right to impose other financial requirements in addition to the requirements stipulated in the first and second paragraph.

5.2 Organisation of business activities

A Clearing Member shall organise its business activities in such a way that the member has sound and satisfactory arrangements in place in respect of matters including its operational procedures, staffing, expertise and technical equipment.

5.3 Procedures for exchanging information

Notifications from a Clearing Member to Oslo Clearing shall, if not otherwise instructed in the Clearing Rules, be communicated by letter, telefax or e-mail using the addresses provided on Oslo Clearing's website, and such notifications are deemed to have been given when received at the mentioned address.

Notifications from Oslo Clearing to one or more Clearing Members are deemed to have been given when sent by e-mail to the e-mail address provided in the application for Clearing Membership. The Clearing Member shall notify any changes to this address to Oslo Clearing in writing and such notification is deemed to have been received when Oslo Clearing has confirmed receipt.

Notifications from Oslo Clearing to all Clearing Members or to groups of Clearing Members shall be in Norwegian and English. Individual communications to and from Oslo Clearing to a Clearing Member shall be in Norwegian or English for Clearing Members incorporated in Norway, and in English for all other Clearing Members.

5.4 Staffing – contact persons

The Clearing Member shall have a sufficient number of persons with authority to act on behalf of the Clearing Member available to Oslo Clearing at all times during Clearing Hours.

The Clearing Member shall appoint a contact person whom Oslo Clearing may contact outside Clearing Hours, with authority to act on behalf of the Clearing Member. The Clearing Member shall also appoint a contact person whom Oslo Clearing can contact if the ordinary contact person is unavailable.

The Clearing Member shall keep Oslo Clearing informed at all times about the contact persons for the firm and their telephone numbers and e-mail addresses.

5.5 Duty to provide information

The Clearing Member shall respond to all enquiries from Oslo Clearing in respect of Clearing as soon as possible, and at the latest within reasonable time.

The Clearing Member will be deemed to have authorised any other entities or persons that are in possession of such information or documentation on its behalf to provide such information or documentation to Oslo Clearing if the information is not provided by the Clearing Member.

The Clearing Member shall submit its audited annual report and accounts to Oslo Clearing within two weeks of publication. The Clearing Member shall also submit, at a minimum, its income statement and balance sheet for each calendar quarter.

The Clearing Member shall submit to Oslo Clearing, by the end of the calendar month in which it regularly files such information to the Relevant Authorities, a summarised statement of the size of its Regulatory Capital (both nominal amount and as a percentage of risk-weighted total assets) together with a statement of the composition of its Regulatory Capital. The Clearing Member shall immediately submit to Oslo Clearing any corrections filed with respect to such statements.

Oslo Clearing will monitor the Clearing Member's financial situation and business operations, and the Clearing Member shall upon request promptly provide Oslo Clearing with information on its financial situation and/or business operations relevant to Clearing and/or other matters relevant to Clearing.

The Clearing Member shall immediately notify Oslo Clearing in writing of any circumstance that poses a significant risk that the Clearing Member will no longer be able to meet applicable financial requirements or become subject to an event of Default.

The Clearing Member shall promptly and on its own initiative give written notice to Oslo Clearing if any of the following situations occur or if the Clearing Member has reasons to believe that such a situation will occur in the future:

- a. The Clearing Member no longer meets the requirements of the Clearing Membership Agreement or of any other requirement or condition of the Clearing Rules.
- b. The Clearing Member resolves to enter into a merger, demerger or other reorganisation that affects one-third or more of the Clearing Member's Regulatory Capital.
- c. The Clearing Member is placed under public administration, seeks or is subject to a winding up petition, or any resolution is passed to discontinue its activities or dissolve the firm.

The Clearing Member shall immediately send a copy to Oslo Clearing of any decision issued by a Relevant Authority in respect of the Clearing Member that may be assumed to be of significance for the conditions for its Clearing Membership or which may imply that there is a Default event or potential Default event.

The Clearing Member shall immediately send Oslo Clearing a copy of any request for dispensations from a Relevant Authority with respect to financial requirements or other material legal requirements imposed upon the Clearing Member.

5.6 Archiving

The Clearing Member shall store and archive such information and data as are required for the Clearing Member to comply with its duties under the Clearing Rules.

5.7 Information on settlement addresses

The Clearing Member shall ensure that Oslo Clearing has the information required to carry out settlement between the Clearing Member and Oslo Clearing in the relevant settlement system. Further details in this respect are provided in Appendix 7.

5.8 Information from the Marketplace(s)

The Clearing Member shall ensure that the relevant Marketplace has all the information and powers of attorney required to send information to Oslo Clearing about Trades that the relevant Clearing Member is responsible for and which are subject to Clearing through Oslo Clearing.

The Clearing Member shall ensure that the Marketplace is authorised to, on request from Oslo Clearing and without any restriction that may arise from its duty of confidentiality, furnish Oslo Clearing such information as Oslo Clearing may consider necessary concerning the Clearing Member and any NCMs it represents, including information about ongoing investigations and disciplinary sanctions against the relevant Clearing Member and any NCMs it represents.

5.9 Information about customers

The Clearing Member shall include in its agreements with its customers provisions whereby the Clearing Member, on request from Oslo Clearing upon a Default event by the Clearing Member without any restriction that may arise from its duty of confidentiality, shall be entitled to give Oslo Clearing such information about its customers as Oslo Clearing deems necessary in respect of Trades subject to Clearing.

5.10 Additional requirements for a GCM

A Clearing Member accepted as a GCM is entitled to carry out Clearing of Trades for one or more other Trading Members which are not Clearing Members (NCMs).

A GCM shall submit a NCM Declaration to Oslo Clearing for each NCM in accordance with Appendix 8, stating that the GCM accepts that all Trades conducted by the NCM on a Marketplace will be cleared under the terms of the GCM's Clearing Membership Agreement.

Oslo Clearing shall confirm receipt of the NCM Declaration to the GCM, and shall confirm to the relevant Marketplace that it is open for Clearing of Trades conducted by the relevant NCM(s).

Trades conducted by a NCM will be registered on a ~~Trading Account and~~ Clearing Account established in the name of the GCM, as further provided for in section 4, and the GCM will

bear full responsibility to Oslo Clearing for these Trades and the Clearing Transactions arising there from.

An NCM may not have an NCM Declaration from more than one GCM at the same time unless Oslo Clearing has accepted that two GCMs act for the same NCM for the period of time required to effectuate a transfer of responsibility between them. Oslo Clearing may impose conditions when granting such an exemption.

The Clearing Member can withdraw an NCM Declaration by giving written notice to Oslo Clearing. Oslo Clearing shall notify the relevant Marketplace immediately upon receipt of such notice.

A withdrawal of an NCM Declaration will come into effect from ~~the such~~ time ~~at which Oslo Clearing informs the relevant as the~~ Marketplace has confirmed that the ~~NCM Declaration for the NCM withdrawal is registered in question has been withdrawn.~~ the trading system.

The effect of withdrawal is that no new Trades conducted by the NCM in question may be registered on the Clearing Member's TradingClearing Account from the time the withdrawal comes into effect. A withdrawal has no effect on Trades and Clearing Transactions registered in the Clearing System before a withdrawal comes into effect.

5.11 Participation in the securities settlement system – use of a Settlement Agent

A Clearing Member shall participate in the relevant securities settlement system or use one or several Settlement AgentAgents to carry out settlement in the relevant securities settlement system.

The Clearing Member shall give Oslo Clearing written notice of the appointment of a Settlement Agent. Oslo Clearing reserves the right to impose conditions on the Clearing Member's use of a Settlement Agent, but shall not refuse to permit the use of the Settlement Agent without reasonable cause.

6 **Clearing procedures and netting**

6.1 Registration of ~~Trades and~~ Gross Clearing Transactions

The Marketplace will upon matching of a Trade in a Equity Market Instrument that is pre-approved for Clearing immediately send a Trade Feed to Oslo Clearing with information on the terms of the Trade and which Trading Members are parties to the Trade.

Upon receipt of the Trade Feed from the Marketplace, Oslo Clearing will carry out a validation of the Trade in order to confirm that (i) each Trade Feed includes sufficient information to be registered in the Clearing System, including quantity, price, trade number, ISIN and Trading Members being parties to the Trade, and (ii) that the Trading Members have a valid Clearing Membership or are NCMs represented by a GCM with a valid Clearing Membership.

If a Trade is rejected by the validation procedure, Oslo Clearing shall send a message to the Marketplace stating the reason for the rejection. The Marketplace may resend a corrected Trade Feed within the Trade Correction Time Limits stated in Appendix 4.

If a Trade is accepted bythrough the validation process, Oslo Clearing shall ~~register the Trade on the Trading Account of the Clearing Members involved, and~~ register a corresponding Gross Clearing Transaction on the Clearing Accounts of the Clearing Members involved.

Upon registration on the TradingClearing Account, Oslo Clearing enters into the Gross Clearing Transactions as a legal counterparty to the Clearing Members who are the buyer and the seller respectively.

6.2 Netting of ~~Trades~~Gross Clearing Transactions and registration of Net Clearing Transactions

After the end of the Trading Day, Oslo Clearing will, for each Clearing Account, aggregate and net all Gross Clearing Transactions to a single Net Clearing Transaction for all Trades in each Financial Instrument (netting per ISIN) with the same Settlement Day.

If this process results in a ~~Net Clearing Transaction whereby a Clearing Member is due to deliver or receive both cash and Financial Instruments ("strange nets")~~, Strange Net, Oslo Clearing will instead aggregate all purchase transactions and all sales transactions separately in order to create two Net Clearing Transactions that both involve delivery against payment, and ~~chain~~ these instructions to the extent permitted by the settlement system in question.

The process above represents a final settlement of each Gross Clearing Transaction between Oslo Clearing and the relevant Clearing Member to the extent the Gross Clearing Transactions are netted, with the exception of corrections described below. This means that the parties' settlement obligations thereafter relate to the Net Clearing Transactions created thereby.

The Net Clearing Transactions are ~~recorded in~~registered on the Clearing Account of the relevant Clearing Member, and shall be settled between Oslo Clearing and the Clearing Member, or its appointed Settlement Agent, through the settlement system in question.

6.3 Trade errors and Trade corrections

Trade errors shall be handled in accordance with the trading rules for the relevant Marketplace, and any complaints on Trade errors shall accordingly be filed with the ~~Market Place~~Marketplace.

Any corrections to Trades ~~by the Marketplace a~~shall be forwarded to Oslo Clearing by the Marketplace within the Trade Correction Time Limits stated in Appendix 4.

Upon timely receipt ~~from a Marketplace~~ of such corrections from a Marketplace, Oslo Clearing will amend the registration of the ~~Trade and corresponding~~ Clearing Transactions in the Clearing System in accordance with the correction received.

6.4 Registration errors in the Clearing System

The Clearing Members will through the Clearing System have regular access to reports on its ~~registered Trades and~~ Clearing Transactions.

The Clearing Member shall immediately and in any case no later than the deadline specified in Appendix 4 ~~register a complaint with~~ notify Oslo Clearing if the Clearing Member believes that there is an error in the registration of a ~~Trade or~~ Clearing Transaction in the Clearing System.

If no complaint is notified within the required ~~time~~ tabletime, the Clearing Member loses any right to object to a registration and the registration in the Clearing System remains valid. If a rightful complaint is notified within the required ~~time~~ tabletime, Oslo Clearing will correct the registration in the Clearing System.

A registration on the wrong ~~Trade Account or~~ Clearing Account can, with the consent of Oslo Clearing, be corrected by transfer to a different ~~Trade Account or~~ Clearing Account, with effect from the registration on the new ~~Trade Account or~~ Clearing Account. Oslo Clearing may in such situation request ~~further~~ additional Collateral.

7 **Settlement**

Oslo Clearing and the Clearing Members shall, subject to the exceptions stipulated by the Clearing Rules, carry out settlement of Net Clearing Transactions on the terms specified therein. Settlement shall be carried out on the basis of delivery against payment.

Further rules on settlement are provided in Appendix 7.

8 **Margin Requirement, Collateral and Default Fund**

8.1 Daily Margin Requirement

Oslo Clearing shall each Clearing Day calculate and report a Daily Margin Requirement for the Clearing Member, ~~in accordance with Appendix 6 per Margin Account.~~

~~The Margin Requirement is calculated per Clearing Account, however in aggregate for several Clearing Accounts linked to the same Margin Account.~~

~~The Margin Requirement shall be reported to the Clearing Member in accordance with Appendix 4.~~

The Clearing Member shall ensure that Collateral sufficient to satisfy the Margin Requirement is provided within the applicable time ~~limit stated in Appendix 4~~ limits.

Appendix 6 includes detailed provisions for margin and Collateral. Appendix 4 includes detailed provisions as to the time limits applicable for margin and Collateral.

8.2 Extraordinary Margin Requirements

Oslo Clearing may issue an Extraordinary Margin Requirement as further provided for in Appendix 6.

The Clearing Member shall ensure that Collateral for an ~~extraordinary~~Extraordinary Margin Requirement is in place within a time due set by Oslo Clearing, however with a minimum of one (1) hour after the time at which Oslo Clearing notifies the Clearing Member of the Extraordinary Margin Requirement.

8.3 Collateral for Margin Requirements

Collateral to satisfy the Margin Requirement may be pledged in the form of:

- Financial Instruments held on a Securities Collateral Account.
- Cash held on a Cash Collateral Account.
- On-demand Guarantees issued by Credit Institutions approved by Oslo Clearing.

The Clearing Member may demand the release of Collateral that is no longer required. Detailed Appendix 6 includes detailed provisions for Collateral ~~are set out in Appendix 6.~~

8.4 Clearing Fund

Each Clearing Member shall contribute to a joint and several Clearing Fund that may be applied to cover losses caused by a Default by a Clearing Member.

Appendix 3 includes detailed provisions on the Clearing Fund.

9 **Default**

9.1 Events of Default and Material Default

The following circumstances are deemed to be ~~Event~~events of Default:

a. The Clearing Member acts in breach of the Clearing Rules.

~~a.~~b. The Clearing Member fails to deliver Equity Market Instruments in a settlement as required under the Clearing Rules, irrespective of Oslo Clearing having decided on a Deferred Settlement or implemented other measures described in section 7.4.

~~b.~~c. The Clearing Member fails to pay cash in the settlement of Net Clearing Transactions with Oslo Clearing.

- ~~e.d.~~ The Clearing Member fails to meet its obligations to provide or release Collateral to Oslo Clearing under the Clearing Rules.
- ~~e.e.~~ The Clearing Member no longer satisfies the financial requirements in Section 5.1 or a Relevant Authority withdraws the Clearing Member's authorisation as specified in section 2.2 or gives prior notice of such withdrawal.
- ~~e.f.~~ An order for attachment or seizure, or other equivalent order imposing restrictions, is registered against an account pledged in favour of Oslo Clearing.
- ~~f.g.~~ The Clearing Member enters into negotiations for a voluntary debt settlement, or a compulsory debt settlement, is placed under public administration or similar proceedings or suspends payments.
- ~~g.h.~~ The Clearing Member is in Material Default of the Derivatives Rulebook or any other Oslo Clearing rulebook.
- ~~h.i.~~ The Clearing Member is suspended from one or more Marketplaces.
- ~~i.j.~~ The Clearing Member is suspended by another clearing house.
- ~~j.k.~~ Any other circumstances equivalent to those defined above occur for a Clearing Member in any jurisdiction.

The ~~Event~~ event of Defaults as defined in letters ~~bc~~) to gh) will always constitute a Material Default. Gross or repeated ~~Event~~ events of Default as described in letter a) and b) will also be deemed to be a Material Default. An ~~Event~~ event of Default as defined in letter jk) is deemed to be a Material Default if the relevant event is equivalent to an ~~Event~~ event of Default as defined in letters ~~bc~~) to gh) above.

9.2 Measures in the event of Default

If a Clearing Member is in Default, Oslo Clearing may, to the extent Oslo Clearing considers it necessary and after having notified the Member in writing, implement one or more of the measures below:

- a. Demand additional Collateral.
- b. Suspend the Clearing Member as further provided for in section 11.2.
- c. Carry out Buy-In Transactions for the Clearing Member's account and risk in accordance with Appendix 7.
- d. Impose penalty fees for Default as provided in Appendix 5.

In the event of a Material Default, Oslo Clearing may in addition implement one or more of the following measures:

- a. Declare all claims against the Clearing Member to be immediately due and payable.

- b. Foreclose on any and all Collateral provided by the defaulting Clearing Member to discharge claims against the Clearing Member.
- c. Carry out a close-out as provided for in section 9.4.
- d. Terminate the Clearing Membership Agreement with immediate effect.
- e. Collect in the Default Fund Contribution of the Clearing Member as provided for in Appendix 3.

9.3 Information about the Clearing Member's customers

If a Clearing Member is in Material Default, Oslo Clearing may demand that the Clearing Member provides Oslo Clearing with such information about the Clearing Member's customers as Oslo Clearing deems necessary for its management of the Default.

9.4 Close-out

Close-out implies that the non-settled ~~Net~~ Clearing Transactions between Oslo Clearing and the Clearing Member are terminated and recalculated by Oslo Clearing into a ~~Net Close-Out Amount~~ net close-out amount denominated in NOK that if positive is to be paid by Oslo Clearing to the Clearing Member or if negative by the Clearing Member to Oslo Clearing- (the "Net Close-Out Amount").

Upon close-out Oslo Clearing will cancel the registrations of the ~~Net~~ unsettled Clearing Transactions in the relevant settlement system- and/or refrain from registering new Clearing Transactions in the relevant settlement system, and carry out Buy-In Transactions and Sell-Out Transactions for the account and risk of the defaulting Clearing Member.

The recalculation shall be carried out on commercially fair terms based on ~~relevant~~ market ~~place~~ prices, the prices achieved for Buy-In Transactions, the prices achieved for Sell-Out Transactions and other circumstances. Oslo Clearing has a right, but not a duty, to value any ~~Net~~ Clearing Transaction at the price specified for the ~~Net~~ Clearing Transaction in question (and accordingly credit zero value to the ~~Net~~ Clearing Transaction).

~~In calculating the close-out amount~~ When determining the Net Close-Out Amount, Oslo Clearing shall include all ~~Net~~ Clearing Transactions of that Clearing Member- all costs related to the close-out and any other claims against the Clearing Member, however, such that if a Clearing Member has established Segregated Clearing Accounts, Oslo Clearing shall carry out a separate close-out for each of the Segregated Clearing Accounts. Oslo Clearing cannot net or offset Oslo Clearing's claim on the Clearing Member in respect of non-segregated Clearing Accounts against claims due to the Clearing Member that relate to a Segregated Clearing Account- ~~against Oslo Clearing's claim on the Clearing Member.~~ However, a positive Net Close-Out Amount in respect of ~~other non-segregated~~ Clearing Accounts may be set off against a negative Net Close-Out Amount related to a Segregated Clearing Account.

~~The close-out amount~~ A Net Close-Out Amount payable to Oslo Clearing falls due for payment immediately. Oslo Clearing may withhold payment of a ~~close-out amount~~ Net Close-

Out Amount due to the Clearing Member until Oslo Clearing is satisfied that no further claims on the Clearing Member will arise.

Any surplus that remains after Oslo Clearing has satisfied all of its claims against the Clearing Member shall be credited to the Clearing Member.

10 Liability

10.1 Oslo Clearing's liability

Oslo Clearing shall be liable only for direct loss caused to a Clearing Member by wilful misconduct or negligence by Oslo Clearing or its employees in performing its duties under these Clearing Rules, and for indirect losses caused by wilful misconduct.

Oslo Clearing shall not be liable for errors in the Trade Feed from a Marketplace.

Oslo Clearing shall not in any circumstances be liable for losses caused by Force Majeure, unless the Force Majeure event is caused by Oslo Clearing.

10.2 The Clearing Member's liability

A Clearing Member is liable for losses suffered by Oslo Clearing as a result of Default, except for losses caused by Force Majeure.

Oslo Clearing may, in the event that a loss has been covered by Clearing Fund Contributions from other Clearing Members, call for full repayment by the defaulting Clearing Member of such amounts, for distributions to the relevant Clearing Members.

11 Suspension and termination of the Clearing Membership Agreement

11.1 Termination

Oslo Clearing may terminate the Clearing Membership Agreement by giving four (4) weeks' notice. Oslo Clearing shall have reasonable justification to terminate a Clearing Member's Clearing Membership Agreement. The Clearing Member may terminate the Clearing Membership Agreement with two (2) weeks' notice.

Termination will come into effect upon the final settlement of all Net Clearing Transactions and outstanding claims of Oslo Clearing on the Clearing Member. Oslo Clearing will from the end of the notice period refuse to register any new Trades in the Clearing Member's name.

11.2 Suspension

Oslo Clearing shall be entitled to suspend a Clearing Member or terminate the Clearing Membership Agreement upon Default by the Clearing Member, or if Oslo Clearing has strong reason to suspect that a Material Default is imminent with respect to the Clearing Member.

Oslo Clearing shall inform the Clearing Member and the relevant Marketplace in writing in the event of suspension or termination.

From such time as the decision to suspend a Clearing Member is notified to the Marketplace and confirmed suspended by the Marketplace, Oslo Clearing will refuse to register any new Trades in the Clearing Member's name.

In the event of suspension or termination of a Clearing Member, Oslo Clearing shall, without undue delay, notify the other Clearing Members, affected Marketplaces and Relevant Authorities.

12 Final provisions

12.1 Extraordinary circumstances

In the event of circumstances beyond the control of Oslo Clearing which make it impossible to perform Clearing and settlement in accordance with the Clearing Rules, Oslo Clearing may decide that settlement of Clearing Transactions and procurement of Collateral for Margin Requirements shall take place at an earlier time or be postponed until the disturbance has ended, or shall be carried out in a manner other than that prescribed by these Clearing Rules, and/or suspend Clearing of new Trades.

Oslo Clearing may also terminate its Clearing Service if the clearing service agreement between Oslo Clearing and the Marketplaces is terminated.

12.2 Duty of confidentiality – exceptions

Oslo Clearing has a duty to keep confidential all information relating to the business or personal affairs of third parties that it becomes aware of through the conduct of its business.

This duty of confidentiality shall not apply if otherwise stated by law or regulation or by a legal ruling in a particular matter. Similarly, the duty of confidentiality shall not apply if the party to which the information relates has consented to disclosure of information.

If a Clearing Member, or any party carrying out an assignment for a Clearing Member, gains unauthorised access to information about Oslo Clearing, other Clearing Members or their customers, the Clearing Member or the party acting for it shall notify Oslo Clearing of this immediately.

The duty of confidentiality imposed by this section shall not restrict Oslo Clearing from notifying other Clearing Members and Relevant Authorities of the suspension or termination of a Clearing Member.

Similarly, the duty of confidentiality shall not prohibit Oslo Clearing from informing [Kreditilsynet](#), [Finanstilsynet](#), Verdipapirsentralen ASA, the Marketplaces and Norges Bank of circumstances which may be significant for the security or stability of securities settlement.

12.3 Complaints

A complaint by a Clearing Member shall be submitted to Oslo Clearing in writing. Oslo Clearing shall confirm receipt of a complaint to the Clearing Member as soon as is practically possible. Oslo Clearing will handle the complaint in accordance with Appendix 9 Rules for handling of Complaints.

12.4 Choice of law and legal venue

The Clearing Rules and any contract arising out of the Clearing operations conducted hereunder, shall be governed by Norwegian law, with Oslo District Court as the legal venue.