



OSLO BØRS

OSLO STOCK EXCHANGE

2018

Connect Rules

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A.1 CO-OPERATING CLEARING HOUSES

The following is classified as a co-operating clearing house:

SIX x-clear SIX x-clear AG,
Tollbugata 2, P.O. Box 4 Sentrum, 0051 Oslo
(Clearing)

Clearing of Oslo Connect-, and exchange-, traded contracts by SIX x-clear is governed by the clearing provisions applicable at any given time, which are available on <http://www.six-securities-services.com/en/home/clearing/downloads.html>

A.2 OSLO CONNECT OPENING HOURS

The opening hours for trading in derivative contracts on Oslo Connect are as follows:

EMP: Opening hours: 08:00 – 17:00*

MPS: Opening hours: 09:00 – 16:00
Accessibility hours: 08:00 – 09:00 and 16:00-17:00*

** 17:30 on expiration date for Oslo Børs standardised derivatives*

Different opening hours may apply in connection with public holidays. Additional details are available from Oslo Børs.

Oslo Børs may, with reasonable prior notice, stipulate different opening hours in special circumstances.

A.3 CONTRACT SPECIFICATIONS FOR TM DERIVATIVES

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

The Oslo Børs ASA Rules for trading in derivative contracts on Oslo Børs (the "Derivatives Rules"), Part A.2; General rules for derivative contracts, shall also govern TM derivatives to the extent applicable.

TM contracts that are subject to Bilateral Trade Reporting will under no circumstances be adjusted by Oslo Børs, and are not governed by A.2.2 of the Derivatives Rules or the special rules mentioned under Item (2) below.

(1) Contract document

The contract specifications are supplemented by each contract document. The contract document is created by the parties upon conclusion of a TM derivative contract, and sets out the specific terms and conditions of the derivative contract. The contract document is submitted electronically via EMP.

(2) Contract adjustment of TM stock derivative contracts in response to corporate events, etc.

The contract terms of existing derivative contracts may be adjusted pursuant to A.2.2 of the Derivatives Rules in response to corporate events for underlying stocks or other special circumstances, subject to the following special rules with regard to TM stock derivatives:

a) As far as stock forwards are concerned, the contracts will be adjusted in response to corporate events, provided that "Normal" is specified in the contract document. If "NoDiv" is specified in the contract document, the parties must agree the adjustment method themselves, as this will not be done by Oslo Børs. As far as NoDiv contracts are concerned, Oslo Børs will nonetheless adjust for stock split, reverse stock split, and Oslo Børs may, in addition thereto, make adjustments in response to other corporate events where adjustment is necessary from a clearing perspective.

b) A.2.2.8 1a) of the Derivatives Rules will be applied generally¹ for purposes of adjusting for dividends, except as referred to in paragraph a) above.

Oslo Børs will announce if TM contracts on a specific underlying are subject to adjustment for extraordinary dividend, and the adjustment will then apply to all TM derivative contracts with open interest on last day inclusive dividend. If there is no announcement from Oslo Børs, TM derivative contracts will not be subject to dividend adjustments.

¹ Oslo Børs will consider adjustment of TM derivative contracts only if:

- Oslo Børs has standardised derivatives listed on the underlying, or
- There is open interest in one (or more) TM derivative contracts, excluding "NoDiv" forwards, on the underlying at the time of dividend announcement.

A.3.1 TM STOCK OPTIONS

Contract type	TM option contract with premium settlement and delivery settlement.
Option style	American or European as specified in the contract document.
Option type	Put option or call option as specified in the contract document.
Underlying instrument	The stock specified in the contract document.
Contract size	100 of the underlying stocks.
Strike price	Price in NOK per underlying stock as specified in the contract document.
Option premium	To be agreed between the buyer and the seller, and stated in the contract document as a premium calculated per underlying stock.
Final trading time	The end of MPS accessibility hours on the expiration date.
Closing trade	Any trading day until and including the expiration date.
Exercise	<p>American option contracts permit manual exercise on any trading day until and including the expiration date. European option contracts are exercised automatically on the expiration date, unless the contract document specifies that only manual exercise is permitted, in which case such exercise shall take place on the expiration date only. The holder of a call option will only be registered as a shareholder of the underlying stock on the "Record Date" if the option is exercised no later than 1 trading day prior to the ex-date of the corporate event for the underlying stock. Oslo Børs assumes no liability in respect of members that fail to exercise in a timely manner.</p> <p>Automatic exercise for call options takes place on the expiration date, where the fixing value of the underlying instrument exceeds the strike price by no less than 1% of the strike price, or, where the member has specified individual exercise parameters in the clearing system, the fixing value of the underlying instrument exceeds the strike price by no less than the individual exercise limit specified.</p> <p>Automatic exercise for put options takes place on the expiration date, where the fixing value of the underlying instrument is lower than the strike price by no less than 1% of the strike price, or, where the member has specified individual exercise parameters in the clearing system, the fixing value of the underlying instrument is lower than the strike price by no less than the individual exercise limit specified.</p>
Fixing value	To be calculated by Oslo Børs in accordance with A.2.2.14 of the Derivatives Rules.
Settlement	The premium settlement date is the second trading day after the trading date, provided that premium settlement is specified in the contract document. The stock settlement date is the second trading day after exercise. Reference is made to the rules of the co-operating clearing house for additional information.
Expiration date	The day specified in the contract document.
Expiration month	The month specified in the contract document.
Expiration year	The year specified in the contract document.

A.3.2 TM STOCK FORWARDS

Contract type	TM forward contract with delivery settlement and expiration settlement.
Underlying instrument	The stock specified in the contract document.
Contract size	100 of the underlying stocks.
Forward price	Price in NOK per underlying stock as specified in the contract document.
Final trading time	The end of MPS accessibility hours on the expiration date.
Closing trade	Closing trade is not permitted. However, an offsetting trade may be executed on any trading day until and including the expiration date, cf. the rules of the co-operating clearing house for further details.
Fixing value	To be calculated by Oslo Børs in accordance with A.2.2.14 of the Derivatives Rules.
Settlement	The stock settlement date and the settlement date for expiration settlement is the second trading day after exercise. Reference is made to the rules of the co-operating clearing house for additional information.
Expiration settlement	Cash settlement of the difference between the fixing value and the forward price.
Contract adjustment	Contract adjustment takes place pursuant to A.2.2 of the Derivatives Rules, subject, however, to the stipulations in A.3, paragraph (2) a), above.
Expiration date	The day specified in the contract document.
Expiration month	The month specified in the contract document.
Expiration year	The year specified in the contract document.

A.3.3 TM INDEX OPTIONS

Contract type	TM option contract with expiration settlement.
Option type	European as specified in the contract document.
Option type	Put option or call option as specified in the contract document.
Underlying instrument	The index specified in the contract document.
Contract size	Index value multiplied by NOK 100.
Strike price	The index value specified in the contract document.
Option premium	To be agreed between the buyer and the seller, and specified in the contract document in NOK for one hundredth of an option contract.
Final trading time	The end of MPS accessibility hours on the expiration date.
Closing trade	Any trading day until and including the expiration date.
Exercise	Automatically exercised on the expiration date, unless the contract document specifies that only manual exercise is permitted, in which case such exercise shall take place on the expiration date only. Automatic exercise is conditional upon expiration settlement being positive for the holder, taking into account fees.
Settlement	The premium settlement date is the second trading day after the trading date, provided that premium settlement is specified in the contract document.
Expiration settlement	The issuer of a call option shall pay the holder any positive difference between the closing index value and the strike price. The issuer of a put option shall pay the holder any positive difference between the strike price and the closing index value. The settlement date is the second trading day after exercise.
Closing index value	The fixing value of the underlying index on the expiration date.
Expiration date	The day specified in the contract document.
Expiration month	The month specified in the contract document.
Expiration year	The year specified in the contract document.

A.3.4 TM INDEX FUTURES/FORWARDS

Contract type	Futures/forward contract with expiration settlement (forward) or daily settlement (future).
Underlying instrument	The index specified in the contract document.
Contract size	Index value multiplied by NOK 100.
Futures/forward price	To be agreed between the buyer and the seller, and specified in the contract document in NOK for one hundredth of a futures/forward contract.
Final trading time	The end of MPS accessibility hours on the expiration date.
Closing trade	For futures, any trading day until and including the expiration date. Closing is not permitted for forwards, although an offsetting trade may be executed on any trading day until and including the expiration date, cf. the rules of the co-operating clearing house for further details.
Settlement	<p>For futures, settlement takes place each trading day (T), with cash settlement on the second trading day (T+2) after the relevant trading day (T), until and including the second trading day after the expiration date, cf. the rules of the co-operating clearing house for further details.</p> <p>For forwards, expiration settlement takes place by cash settlement of 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 specified in the contract document.
Expiration month	The month specified in the contract document.
Expiration year	The year specified in the contract document.

B.1 LIST OF TRADING AND CLEARING FEES FOR– NORWEGIAN DERIVATIVE PRODUCTS

1. FEES FOR STANDARDISED DERIVATIVES AND CLEARED TM DERIVATIVES

Product	Trading and Clearing Fees	Exercise/ Expiration Fees
Stock options ⁱ⁾	0.75% Max. NOK 20 per contract	0.08% ⁱⁱⁱ⁾
Stock futures/forwards ⁱ⁾	0.04%	0.04% ^{iv)}
Index options	NOK 2.50 per contract ⁱⁱ⁾	NOK 2.50 per contract ^{v)}
OBX futures	NOK 2.50 per contract *	NOK 2.50 per contract
OBOSX futures	NOK 1.50 per contract	NOK 1.50 per contract

i) Maximum fee is NOK 15.000 per transaction per end-customer

ii) The fee shall not exceed 0.75% of the option premium

iii) Fee calculation is based on the settlement amount = Strike price * number of underlying (stocks)

iv) Fee calculation is based on the settlement amount = Fixing value * number of underlying (stocks)

v) The fee shall not exceed 1.0% of the intrinsic contract value

* Volume discount OBX futures

The fee level for end-customers is calculated on the basis of the number of contracts traded in the previous month, in accordance with the following table:

Contracts per month	Fee the following month
0 – 50 000	NOK 2.50 per contract
50 001 – 150 000	NOK 2.00 per contract
150,001 – 300 000	NOK 1.60 per contract
300 001 – 500 000	NOK 1.30 per contract
500 001 ->	NOK 1.00 per contract

2. HOUSE FEES FOR CLEARED TM DERIVATIVES

Includes own-account trading, conducted over MM or House accounts

Product	Trading and Clearing Fees	Exercise/Expiration Fees
Stock options ⁱ⁾	0.45% Max. NOK 12 per contract	0.030% ⁱⁱ⁾
Stock futures/forwards ⁱ⁾	0.02%	0.02% ⁱⁱⁱ⁾

i) Maximum fee is NOK 15.000 per transaction

ii) Fee calculation is based on the settlement amount = strike price * number of underlying stocks

iii) Fee calculation is based on the settlement amount = fixing value * number of underlying stocks

3. BILATERAL TRADE REPORTING FEES

Product	Fees ⁱ⁾
All products	NOK 200

i) Fees are specified per leg. Internal transactions registered in EMP by the member will receive 50% discount on one trade leg

4. APA PUBLICATION FEES

No additional fee.

B.2 TRANSPARENCY THRESHOLDS FOR OSLO CONNECT

Transparency calculations- and thresholds- for derivative instruments listed on Oslo Connect in pursuant to requirements under *MiFID II/ MiFIR* as specified in *Commission Delegated Regulation (EU) 2017/583 (RTS2)*.

Minimum size requirements determined based on the current *Large In Scale (LIS)* pre-trade transparency threshold values: ¹

Underlying Symbols	Pre-Trade LIS Threshold NOK	
	Options	Futures/ Forwards
All eligible underlying	250 000	250 000

¹ Minimum size requirements applying to Interest Orders and Bilaterally Negotiated Trades and in accordance with ESMA's prevailing transparency calculations and liquidity classification.

C.1 MEMBERSHIP AGREEMENT – OSLO CONNECT

The following agreement (the "Agreement") has, on this date, been concluded between:

Oslo Børs ASA ("Oslo Børs") and

_____, with company registration no.: _____
(the "Member")

1. Oslo Connect is a marketplace for non-standardised derivatives and is authorised as a multilateral trading facility pursuant to Chapter 11 of the Securities Trading Act. Oslo Connect is operated by Oslo Børs.
2. The Member wishes to be granted membership of Oslo Connect. Such membership is hereby granted.
3. Trading on Oslo Connect is governed by the Rules for Trading in Derivative Contracts on Oslo Connect (the "Connect Rules"), which are published on www.oslobors.no. The Connect Rules, as applicable at any given time, form part of the Agreement. Terms defined in the Connect Rules shall be accorded the same meaning when used in the Agreement.
4. The Member is itself responsible for procuring and concluding any agreements concerning the use of lines/communications systems required for electronic trading.
5. The liability of Oslo Børs for any loss or damage is limited to the liability expressly assumed by it in the Connect Rules.
6. Oslo Børs may terminate the Agreement in accordance with the provisions set out in the Connect Rules.
7. The Member may terminate the Agreement with immediate effect if Oslo Børs is in material breach of its obligations under the Agreement or the Connect Rules. The Member may also terminate the Agreement without cause by giving three months' written notice.
8. The trading fees may be changed by Oslo Børs by giving two weeks' notice. The Member may terminate the Agreement by giving two weeks' written notice if the Member is unwilling to accept the new fees, provided that there are no circumstances preventing such termination. The trading fee rates prevailing prior to the fee change shall apply during the notice period. SIX x-clear AG collects trading fees on behalf of Oslo Børs.
9. In the event of termination, the Agreement shall remain in full force and effect, to the extent applicable, until all securities accounts for which the Member is the account operator have been closed or validly transferred to another member.
10. The Agreement is governed by Norwegian law, with Oslo Tingrett as the legal venue for any dispute arising from this Agreement.
11. The Agreement is issued in duplicate, with each party retaining one copy.

_____, _____
(Place) (Date)

For and on behalf of (the "Member")

Signature

Name in capitals

Oslo, _____
(Date)

For and on behalf of Oslo Børs

Signature

Name in capitals