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CHAPTER 1

1.1 Introduction

1.1.1 Nasdaq Stockholm AB (the “Exchange”), organisation No. 556420-8394, is authorised by the Swedish Financial Supervisory Authority as an exchange. The Exchange is supervised by the Swedish Financial Supervisory Authority.

1.1.2 The Exchange is part of the Nasdaq Group, with Nasdaq, Inc. (organisation No. 52-116537) as the ultimate parent.

1.1.3 The Exchange Rules govern the Exchange’s activities and the legal relationship between the Exchange and Exchange Members. The Exchange Rules become binding between Exchange Members and the Exchange through execution of the Exchange Member Agreement, Appendix 7 of the Exchange Rules. The Exchange Rules also contain certain provisions governing the legal relationship between Exchange Members.

The Exchange Rules include, inter alia, membership requirements and the trading rules applicable in the Exchange’s derivatives operations.

The Nasdaq Genium INET Market Model document Nasdaq Derivatives Markets, which is referred to in various sections of these Exchange Rules, does not form part of the Exchange Rules but gives further guidance to the Exchange Rules, including more detailed descriptions of the Order types and characteristics of EMP. In relation to trading in Fixed Income Derivatives, a reference to the Genium INET Market Model document Nasdaq Derivatives Markets in these rules shall be a reference to the Genium INET Market Model Fixed Income Derivatives, as made available by the Exchange.

1.1.4 The Exchange Rules are comprised of the chapters set forth below and the appendices listed in the table of contents and/or made available on the Exchange’s website together with such chapters. The appendices include the standardised form Exchange Member Agreement referred to in section 1.1.3 above and other standard form agreements related to membership at the Exchange. The Exchange reserves the right in certain agreements to depart from or add to the text of these agreements, on condition that such departures or additions do not effect a change in a matter material to the Exchange’s operations.

1.1.5 The Exchange Rules in force from time to time are available on the Exchange’s website business.nasdaq.com. Any updates of the Exchange Rules will normally be made every six months in connection with material amendments and supplements of the Exchange Rules, as set forth in section 1.13.2. Amendments to appendices to the Exchange Rules, e.g. the Quotation List, may take place with shorter intervals. In order to receive updated versions, Exchange Members shall inform the Exchange about contact persons and contact addresses to which updates shall be distributed. The Exchange shall also make the Exchange Rules available to the general public.
1.1.6 Intentionally left blank.

1.1.7 The general regulations governing the Exchange’s exchange operations are set forth in this Chapter 1, below.

1.1.8 The Exchange’s exchange operations have the aim of establishing a market for trading in Instruments between Exchange Members connected to the Exchange. The exchange operations are governed by the rules in Chapter 2.

1.1.9 The essential features of the Exchange’s exchange operations are outlined as follows. Through the exchange trading systems, the Exchange receives from Exchange Members various bid and ask Orders relating to Exchange Listed Instruments. The Exchange ranks and disseminates information relating to the incoming Orders. The Exchange Member’s identity is not included in the order information disseminated. After the Exchange has received a Bid- and an Ask-Order with corresponding terms, the parties who placed the Orders enter into an Exchange Transaction.

Exchange Transactions are automatically subject to clearing at the Clearing House. The Exchange prepares a contract note regarding the Exchange Transaction that has been entered into, and delivers it to the relevant Exchange Members. The Exchange supervises the exchange trading and continuously disseminates information concerning the exchange trading. The Exchange Regulations are set out in more detail in Chapter 2 below.

1.1.10 Instruments provided by the Exchange are specified in Chapter 3. The Instruments provided can be Exchange Listed or Clearing Listed, or both.

1.1.11 The defined terms used in the Exchange Rules are defined in the list of definitions.

1.1.12 Times stated in the Exchange Rules refer to times in Sweden, unless expressly stated otherwise. Deviations from times stated in the Exchange Rules may occur in connection with holidays, etc. and notice thereof shall be given accordingly.

Certain restrictions in respect of U.S. Persons

1.1.13a No transactions may be entered on the Exchange by or for the account of a U.S. Person or a person located in the United States, nor may any transactions be solicited, negotiated, executed or booked within the United States unless permitted under applicable U.S. federal law and the regulations promulgated thereunder. Therefore, both an Exchange Member and an Exchange Trader may not be a U.S. Person.

1.1.13b Notwithstanding section 1.1.13a, Restricted Swaps may not be transacted on the Exchange or otherwise entered by or for the account of a U.S. Person or a person located in the United States, nor may any transactions be solicited, negotiated, executed or booked within the United States. Each time an Exchange Member or an Exchange Trader submits a Restricted Swap to the Exchange, the Exchange Member or the Exchange Trader is deemed to represent to the Exchange, based on its reasonable belief, that: (1) the Restricted Swap was solicited, negotiated, executed and booked outside the United States; (2) the Exchange Member or the Exchange Trader...
itself and, if different, the relevant Clearing Member or person in whose name the Clearing Member carries the account for which the Restricted Swap has been submitted ("account holder"), is not a U.S. Person or located in the United States; and (3) the Exchange is a permissible exchange venue to which the Restricted Swap may be submitted under all relevant laws applicable to the Exchange Member or the account holder.

1.1.13c If an Exchange Member takes advantage of the U.S. Securities and Exchange Commission’s 1 July 2013 Class No-Action Relief to enter into transactions in Eligible Options with or on behalf of Eligible Broker-Dealers or Eligible Institutions (as defined in the Class No-Action Relief) in the United States with specified equity options or equity index options, it shall comply with all terms and conditions set forth in the Class No-Action Relief, including obtaining and maintaining a record of the representations set forth in the Class No-Action Relief.

A list of Eligible Options, as amended from time to time, and a template for obtaining the representations set forth in the Class No-Action Relief are available on the Exchange’s website.

1.1.13d For the purposes of this entire section 1.1.13, (1) “United States” shall mean the United States of America, its states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and any other territory or possession of the United States government or any enclave of the United States government or its agencies or instrumentalities; (2) “U.S. Person” has the meaning for such term provided in the United States Commodity Futures Trading Commission’s (“CFTC”) Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations (78 CFR 45292 (July 26, 2013)); (3) “Restricted Swap” means any agreement, contract or transaction defined in Section 1a(47) of the Commodity Exchange Act (“CEA”) and/or in CFTC Rule 1.3(33); (4) “Class-Action Relief” means the U.S. Securities and Exchange Commission’s 1 July 2013 Class No-Action Relief issued by the U.S Securities and Exchange Commission’s Division of Trading and Markets; and (5) “Eligible Options” means equity options or equity index options listed as Eligible Options on the Exchange’s website, as amended from time to time.

1.2 Exchange Members

1.2.1 Exchange membership may be granted by the Exchange to: (i) the Swedish Central Bank; (ii) investment firms authorized to manage investment business in accordance with Chapter 2, 1 §, points 1, 2 or 3 of the Securities Market Act and which satisfy the membership criteria prescribed in Chapter 2 of the Exchange Rules; (iii) a foreign institute which, in its home country, has the right to participate in exchange trading of a similar nature, is subject to supervision of a local authority or other authorized institution and satisfies the other membership criteria specified in Chapter 2 of the Exchange Rules; and (iv) legal entities domiciled and incorporated within the European Economic Area trading exclusively on its own account (including other entities within the same group) which satisfy the membership criteria specified in Chapter 2 of the Exchange Rules and which apply accounting standards generally accepted in the country of domicile, membership may however be granted to such
entities even if the financial requirement in section 2.2.3 is not met provided that the entity either has an after-tax shareholder’s restricted equity of not less than 50,000 euro or has a bank guarantee issued by its parent company which has been approved by the Exchange in accordance with the Exchange’s internal instructions.

1.2.2 An entity seeking exchange membership shall apply to the Exchange on the prescribed form. Applicants shall meet the requirements for exchange membership set out in the Exchange Rules. Upon approval of the application, the legal entity is admitted as an Exchange Member by entering into an Exchange Member Agreement with the Exchange.

In the course of an application process, prospective Exchange Members shall provide any information and documentation deemed relevant and as requested by the Exchange in order for the Exchange to undertake its due diligence assessment against the membership criteria prescribed in Chapter 2 and other requirements of the Exchange Rules.

1.2.3 Exchange Members authorized to manage investment business according to Chapter 2, § 2 of the Securities Market Act, or for foreign companies the corresponding right to participate in exchange trading of a similar nature, shall have the right in exchange trading to represent clients in relation to the Exchange.

1.2.4 An Exchange Member authorized to carry on investment business according to Chapter 2, § 3 of the Securities Market Act or for foreign companies the corresponding right to participate in exchange trading of a similar nature, may be accepted by the Exchange as a Market Maker. An Exchange Member wishing to be associated as a Market Maker shall enter into a Market Maker Agreement with the Exchange. Further details on the obligations of a Market Maker and the requirement for any Exchange Member pursuing a market making strategy to enter into a Market Making Agreement are set out in section 2.7.

1.2.5 The number of Exchange Members is not limited. All applicants satisfying the Exchange’s membership criteria may enter into an Exchange Member Agreement with the Exchange.

1.3 [Deleted]

1.4 Client and Customer information and exchange confidentiality

1.4.1 Client and Customer information

To the extent that the Exchange considers it necessary and in order to fulfill regulatory requirements, the Exchange may demand reasonably necessary information from Exchange Members with respect to Clients and Customers and such Exchange Members shall be obliged to provide the Exchange with such information.
1.4.2 Exchange confidentiality

1.4.2.1 Pursuant to the Securities Market Act, employees and those commissioned by the Exchange shall not, without express authorisation, disclose information regarding Exchange Members’, Clients’ or Customers’ business.

1.4.2.2 The Exchange may, and in certain circumstances is obligated to, forward information regarding the Exchange’s operations to the Swedish Financial Supervisory Authority or other authorities.

1.4.2.3 The Exchange may, and in certain circumstances is obliged to, forward information concerning Exchange Members, Clients or Customers to the Swedish Financial Supervisory Authority, or another exchange or clearing organization, or governmental authority or other regulatory body where (i) the financial position of the Exchange Member deteriorates to such an extent that the risk arises that such party will not be able, or is unable, to perform its obligations towards the Exchange pursuant to the Exchange Rules; (ii) other circumstances exist which may give rise to the same result; (iii) such is caused by market supervision in accordance with section 2.5 below; or (iv) otherwise required by applicable and mandatory law. The above-stated disclosure of information must be justified and must be made subject to an undertaking by the recipient to observe due confidentiality.

1.4.2.3a Subject to applicable and mandatory law, such as legal and regulatory requirements on confidentiality, including bank secrecy, the Exchange may use any information in relation to any Exchange Member, Customer or Client where necessary to enable the proper performance of its activities and in order to protect the integrity and adequate functioning of the market.

1.4.3 Restrictions on trading by employees on their own behalf

1.4.3.1 The Exchange has prescribed certain limitations regarding its employees’ securities transactions on their own behalf.

1.5 Compliance and supervision of the Exchange Rules

1.5.1 Compliance with the provisions in the Exchange Rules shall be supervised by the Exchange.

1.5.2 Exchange Members shall immediately inform the Exchange of any and all deviations from the observance of the provisions in the Exchange Rules of which they become aware.

1.5.3 Exchange Members shall immediately inform the Exchange if their financial position weakens to such an extent that there exists the risk that the Exchange Member will be unable to meet its obligations towards the Exchange as set forth in the Exchange Rules, or if other circumstances exist which can lead to the same result. Should the Swedish Financial Supervisory Authority or the Exchange itself deem the Exchange’s financial standing to have weakened to an extent such that properly-functioning
exchange operations can no longer be maintained, the Exchange shall notify the Exchange Members.

1.5.4 In order to ensure compliance by the Exchange Members and the Exchange with the Exchange Rules, and to fulfill the Exchange’s obligations pursuant to applicable securities and clearing operation legislation and regulations given pursuant thereto, the Exchange shall, subject to relevant statutory and regulatory limitations, such as bank secrecy obligations, through an authorised auditor have the right to access the offices of the Exchange Member (including any facilities or temporary offices wherein data is stored by the Exchange Member) at the request of the Exchange in order to conduct audits and to obtain any information which the Exchange reasonably deems necessary. The Exchange may execute this right only where other audit rights under the Exchange Rules have not been sufficient.

1.5.5 If an audit establishes that an Exchange Member has defaulted in the compliance of the Exchange Rules, said member shall be liable for all costs incurred in the audit. The results of the audit shall be forwarded without delay to the Exchange Member and to the Swedish Financial Supervisory Authority.

1.5.6 Upon request by the Exchange, an Exchange Member shall provide the Exchange with any information which the Exchange deems necessary in order to monitor and ensure compliance with the Exchange Rules and in order to fulfill its obligations pursuant to applicable securities and exchange operation legislation and regulations given pursuant hereto (such information to be provided within a reasonable time after the request from the Exchange is received such that the Exchange is able to fulfill the aforementioned obligations). The information shall be rendered in the manner prescribed by the Exchange.

1.5.7 Without limiting Exchange Members responsibilities in accordance with this section 1.5, Exchange Members for which the Exchange is responsible to perform transaction reporting in accordance with MiFIR shall provide the information necessary for the Exchange to meet its regulatory transaction reporting requirements. The Exchange shall make available further guidance regarding the information to be provided hereunder.

1.5.8 In order to protect the integrity and adequate functioning of the market, and without limiting the Exchange’s rights elsewhere in these Exchange Rules and in particular under section 1.6 and notwithstanding anything to the contrary in these Exchange Rules, the Exchange shall be entitled to suspend an Exchange Member’s or Exchange Trader’s access to the Electronic Trading Platform, including for the avoidance of doubt any trading system operated by the Exchange, at its own initiative or at the request of that Exchange Member, a Clearing Member, the Clearing House, or the Swedish Financial Supervisory Authority.

1.5.9 Without limiting the Exchange’s rights elsewhere in these Exchange Rules and notwithstanding anything to the contrary in these Exchange Rules, the Exchange shall be entitled to cancel unexecuted Orders submitted by an Exchange Member or by a Sponsored Access Client (kill functionality) under the following circumstances:
1.6 Default, sanctions and Disciplinary Committee

Default

1.6.1 An Exchange Member’s default is constituted by the following:

(i) the breach by the Exchange Member of the Exchange Rules or other regulations regarding the Exchange’s operations, as applicable between the Exchange and the Exchange Member; or

(ii) where, in the Exchange’s judgement, there exists a substantial risk that the Exchange Member will breach the Exchange Rules or other regulations regarding the Exchange’s operations, as applicable between the Exchange and the Exchange Member.

1.6.2 In addition, an Exchange Members may be deemed to be in default where the Exchange Member, in the Exchange’s judgement, is no longer suitable as an Exchange Member pursuant to the applicable law or regulation or these Exchange Rules. Lack of suitability can, *inter alia*, be the result of any of the following:

(i) where the Exchange Member is placed in bankruptcy, files its own petition for bankruptcy, suspends payments, or the existence of other circumstances which objectively indicate that the Exchange Member is insolvent or will soon become insolvent;

(ii) where authorisation of an Exchange Member is revoked or changed by the Swedish Financial Supervisory Authority or corresponding foreign authority or any other authorised body;

(iii) where the Exchange Member is suspended from another exchange, clearing organisation or corresponding body in Sweden or abroad, provided that such suspension, in the opinion of the Exchange, materially affects such Exchange Member’s suitability to act as an Exchange Member pursuant to applicable law or regulation or the Exchange Rules; or

(iv) where the Exchange Member is also a member or a client under the Clearing Rules or the COM Clearing Rules and is in non-compliance with the Clearing Rules or the COM Clearing Rules or in default or suspended under the Clearing Rules or the COM Clearing Rules.
Sanctions and Disciplinary Committee

1.6.3 Where an Exchange Member is in breach of the Exchange Rules, Swedish law, other statutes governing Exchange Members’ operations on the Exchange, or generally accepted behavior on the securities market (god sed på värdepappersmarknaden), sanctions shall be determined by the Disciplinary Committee. The Disciplinary Committee shall in such case determine a sanction in accordance with section 1.6.4. Administrative matters shall be determined by the Exchange, and in so doing sanctions in accordance with section 1.6.9 may be considered. Matters concerning termination of exchange membership are also decided by the Exchange.

1.6.4 The Disciplinary Committee may impose the following sanctions on an Exchange Member:

(i) Where the breach is gross, the Exchange Member shall be suspended for an indefinite period or a fixed period of time.

(ii) Where the breach is not to be deemed gross in accordance with (i) nor of such a nature as referred to in (iii), a conditional fine shall be imposed on the Exchange Member of not less than SEK 100,000 and not more than SEK 10,000,000.

(iii) In the case of minor breaches or where the breach is deemed excusable, the Exchange Member shall be issued with a warning or a sanction may be waived in its entirety.

1.6.5 The Disciplinary Committee shall also be entitled to suspend an Exchange Member provisionally during such time the investigation of an alleged breach is being conducted.

1.6.6 When determining the amount of the conditional fine, consideration shall be given to the nature of the breach and other circumstances pertaining at the time of the breach.

1.6.7 When an Exchange Trader is in default pursuant to the Exchange Rules or pursuant to the rules applicable from time to time governing authorisation as an Exchange Trader, the Disciplinary Committee may, upon request from the Exchange, take any of the following measures against the Exchange Trader:

(i) Decide to revoke the Exchange Trader’s authorisation to trade.

(ii) If considered sufficient, decide to suspend the Exchange Trader from trading during a certain period of time.

(iii) In cases which are not serious the Exchange may issue a warning.

1.6.8 The Exchange shall also be entitled to provisionally suspend an Exchange Trader from trading during such time the investigation of an alleged breach is being conducted.
1.6.9 Where an Exchange Member is in default under section 1.6.1 or 1.6.2 above in the Exchange’s opinion, the Exchange shall have the right to elect, without consulting the Exchange Member and at the Exchange Member’s expense, to take one or more of the measures stated below:

(i) to withhold any payment due to the Exchange Member

(ii) to set off any payments due to the Exchange Member against payments due to the Exchange; and

(iii) to refuse Exchange Transactions and/or to suspend the Exchange Member from access to the Exchange and its trading systems.

1.6.10 In the case of default under section 1.6.1 and where such default is deemed to be immaterial, the Exchange Member involved shall be afforded the opportunity of curing the default. In determining whether a default is to be deemed immaterial, account shall be taken of whether the damage done was negligible and whether the default has occurred on one or more occasions and whether negligence existed. In the event the default has not been cured within reasonable time, the provisions stated in section 1.6.9 shall apply.

1.6.11 The Exchange is obliged to immediately inform the Exchange Member as to its default in accordance with sections 1.6.1 and 1.6.2 and about the measures the Exchange has taken or is planning to take.

1.6.12 In the event of default of Market Maker commitments, the specific regulations in sections 2.7.7 and 2.7.8 shall also apply.

Indemnity

1.6.13 Any Exchange Member that causes the Exchange to suffer any loss or to incur any cost, such as any interest or fee, as a result of the breach of the Exchange Rules shall hold the Exchange whole and harmless and fully indemnified in respect of any such cost or loss. However an Exchange Member shall not be held liable for loss of profit or other similar indirect loss or consequential loss.

1.7 Public market information

General

1.7.1 The Exchange undertakes to disseminate public market information originating from the Exchange’s activities or third parties in accordance with the provisions set forth in this section. The provision of non-public information, such as information in respect of order depth, etc., is governed by section 2.6.

1.7.2 The Exchange publicly disseminates information during times at which EMP is open regarding Orders and Exchange Transactions for each Exchange Series.
The Exchange on behalf of the Clearing House publicly disseminates information during times at which the Clearing System is open regarding particular volumes and, where applicable, particular registration prices for each Clearing Series.

In addition to that which is stated above, the Exchange disseminates certain statistical information to Exchange Members which also are Clearing Members.

The Exchange shall have the right, at any time, to make such changes in the contents, scope and composition of the market information which the Exchange deems suitable or necessary, unless otherwise agreed upon separately.

Media

Market information is disseminated in electronic form either immediately or following a certain delay.

The Exchange disseminates public market information through the following media:

(i) immediately to Exchange Members by electronic connection to the Electronic Trading Platform and, in applicable cases, by telephone. For all usage of public market information through ITCH a separate distribution agreement (“Nasdaq Global Data Agreement”) shall be entered into by Exchange Members. For the avoidance of doubt, internal use of public market information as detailed in these Exchange Rules does not cover usage of information received via ITCH;

(ii) immediately or following a certain delay through public information distribution systems. in accordance with the Nasdaq Global Data Agreement between the relevant information distributor and the Exchange; and

(iii) following a certain delay, through public information distribution systems such as Sveriges Television’s Text-TV and, where applicable, printed information in daily and business newspapers.

License

The following market information is covered by the right of use granted herein.

(i) market information originating from the Exchange's operations; and

(ii) market or other information received from third parties.

Copyrights and other intellectual property rights to market information which the Exchange disseminates shall vest in the Exchange or the rights holders the Exchange represents.
Grant of license

1.7.10 The Exchange hereby grants to the Exchange Member a non-exclusive and non-assignable license to use public market information pursuant to the terms and conditions set forth below.

Terms and conditions governing information provided immediately via electronic connection

1.7.11 Public market information is provided to Exchange Members immediately. The information is made available through electronic connection to the Electronic Trading Platform pursuant to section 1.12 below.

1.7.12 Exchange Members shall have the right to use market information which is received immediately via electronic connection to the Exchange’s trading system for internal use. Upon such use, Exchange Members shall only have the right to disseminate or reformulate such information to internal users, as described below, and in exchange for payment of a fee in accordance with sections 1.7.15–1.7.16 for e.g. each recipient unit in which the information is available immediately, following a time delay or in any other manner. Exchange Members which make the market information available internally to users other than internal users shall enter into the Nasdaq Global Data Agreement.

Internal users

1.7.12.1 “Internal users” means use within the member firm by the Exchange Member’s authorised Exchange Traders, back office, employees involved in the supervision of the Exchange Member’s Technical Equipment directly connected to the Exchange’s trading system and employees engaged in risk monitoring or analysis of the Exchange Member’s trading and consultants/contractors working as employees or under an outsourcing arrangement (in section 1.7.12 such consultants and contractors are regarded as employees). It shall also include usage within the Exchange Member’s business related to the following areas:

- use by registered, certified Exchange Traders;
- technical monitoring of market data;
- software product management;
- product development/programming;
- promotion of market data;
- technical operations;
- technical support;
- testing of market data;
- trade shows;
- advertisement of market data;
- account maintenance;
- authorizations/permissioning;
- clearing and settlement;
- market data control;
- market data quality;
- demonstration of market data products;
- software sales;
• a non-systematic use of information for support of customers in the trading of
  securities; and
• risk management of members’ trade.

Other employees of the Exchange Member and any employees of companies in the
same group as the Exchange Member do not constitute internal users, neither does
usage within the following areas:

• any non-employee usage;
• non-employee order routing;
• non-employee Sponsored Access; and
• any usage sourced from a vendor/distributor data feed.

Exchange Members shall continuously maintain a log of internal users and shall, in
connection with an audit and upon request by the Exchange or a legal entity or person
nominated by the Exchange, submit such log to the requesting party.

Audit review

1.7.12.2 From time to time, and no more than once in any twelve (12) month period unless
necessary due to suspected non-compliance with the material provisions in the
Exchange Rules, the Exchange may cause Exchange Member’s (i) records relating to
the information from the Exchange’s trading system, which has been received via the
Exchange Member’s electronic connection to the Exchange’s trading system, (ii) log
of internal users and (iii) information related to any use of the Exchange’s trading
system by non-internal users to be reviewed by the Exchange personnel and/or auditors
of the Exchange’s choice.

The audit shall be scheduled upon reasonable notice to the Exchange Member, during
normal business hours, and conducted in locations where, as applicable, Exchange
Members’ records are kept, where the Exchange Member processes the Exchange’s
trading system information, and/or where the Exchange Member uses such
information. The Exchange will make reasonable efforts to provide at least four (4)
weeks advance written notice of the audit, unless the audit is scheduled due to
suspected material non-compliance. The Exchange Member shall promptly provide
information or materials in response to any request for information relating to the use
of information from the Exchange’s trading system. The Exchange Member shall make
available for examination all records, reports and supporting documentation necessary
in the opinion of the Exchange audit personnel in order for such personnel to reach a
conclusion as to the accuracy and completeness of: (i) the Exchange Member’s log of
internal users and (ii) the Exchange Member’s log of non-internal users of the
Exchange’s trading system.

The Exchange shall endeavor to ensure that, the Exchange Member is provided with a
preliminary audit response within ninety (90) days following the completion of any
audit. The Exchange shall discuss the outcome of any such preliminary audit response
in good faith with the Exchange Member or, at the Exchange Member’s election, with
the Exchange Member’s designee. Each party shall bear its cost for the audit.

After receipt of the preliminary audit response, the Exchange Member may then elect,
at the Exchange Member’s sole discretion and at the Exchange Member’s sole expense,
to conduct a subsequent review to determine the magnitude of the non-compliance. This subsequent review shall be completed and submitted to the Exchange within ninety (90) days after the preliminary audit response is received by the Exchange Member.

The Exchange’s determination of the preliminary audit response (the "Final Audit") shall be deemed conclusive when the Exchange Member and the Exchange agree on the determination of the preliminary audit response of the Exchange and when the Exchange has proceeded with its examination and audit in good faith in accordance with the provisions hereof.

If the Exchange and the Exchange Member are not able to reach agreement concerning the determination of the preliminary audit response and the subsequent review within thirty (30) days of the Exchange Member’s completion of the subsequent review, provided that the Exchange has proceeded with its examination and audit in good faith in accordance with the provisions hereof, the Final Audit shall be deemed conclusive.

The Exchange is responsible for presenting evidence on those issues which support the outcome of the preliminary audit response and/or the determination of the Final Audit. If the Final Audit determines that there is underreporting or other non-compliance with the Exchange Rules (and/or discloses additional underreporting or other non-compliance), then any fee liable usage shall be remitted to the Exchange, together with applicable interest, within sixty (60) days of the date the Final Audit shall be deemed conclusive. The Exchange Member’s liability shall be limited to unpaid fees, together with interest, for the three (3) years preceding the earlier of the date that the Exchange Member, the Exchange Member’s auditors or the Exchange first knew or determined that such underreporting or other non-compliance has occurred, provided such underreporting or other non-compliance is a result of a good faith error by the Exchange Member.

If the Final Audit reveals any material errors or omissions in the Exchange Member’s use of the Exchange’s trading system information and/or other material non-financial non-compliance with the Exchange Rules, the Exchange Member shall submit a description of the cure and/or any other applicable materials demonstrating compliance along with the Exchange Rules within ninety (90) days after the Final Audit shall be deemed conclusive.

In addition to what is stated in sections 1.7.10 and 1.7.20, the Exchange Member may systematically disseminate information from the Exchange’s trading system, in processed or unprocessed form, in whole or in part, only following execution of a separate agreement with the Exchange or legal entity or person nominated by the Exchange.

“A systematic dissemination of information” means continuous or frequent production of copies of information and continuous or frequent release and/or dissemination of information from the Exchange’s trading system, including extracts of real-time information and continuous or frequent updating of such information.
1.7.14 Restrictions may be imposed on the right of Exchange Members to redistribute market information originating from third parties to its clients. The Exchange shall be obligated to provide notice in an appropriate manner of such restrictions.

1.7.14 Customers shall only have the right to use and reformulate public market information which is received via electronic connection between Customers and Clearing Members for their own use. Customers may not redistribute such information to other Customers or third parties. Upon such use, Customers shall only have the right to disseminate or reformulate such information in internal networks upon written consent by the Clearing Member through which the information was obtained via electronic form. Exchange Members and Clearing Members are obligated, pursuant to the Nasdaq Global Data Agreement, to ensure that Customers are bound by contract to refrain from disseminating or reformulating information in internal networks in the absence of the payment of fees in accordance with sections 1.7.15–1.7.16 of the Exchange Rules for e.g. each recipient unit in which the information is available immediately, following a time delay or in any other manner.

1.7.15 License fees are payable in accordance with the Exchange’s information price list in effect from time to time regarding public market information originating from the Exchange’s exchange operations and which is disseminated via electronic connection to the Exchange’s exchange systems.

1.7.16 License fees are payable in accordance with the Exchange’s information price list in effect from time to time regarding public market information originating from third parties and which is disseminated via electronic connection to the Exchange’s exchange systems.

Information from information distributors

1.7.17 Public market information originating from the Exchange’s exchange operations may be provided by external information distributors which have entered into the Nasdaq Global Data Agreement with the Exchange. With regard to market information which is disseminated through external information distributors, the terms and conditions which are applied by the relevant information distributor shall apply. The external information distributor shall be obligated, pursuant to the Nasdaq Global Data Agreement, to apply the terms and conditions for use of such market information to third parties as are set forth in sections 1.7.11–1.7.14 above.

Expanded limitations on liability

1.7.18 The Exchange provides no express or implied warranties regarding the results which may be achieved as a consequence of the use of public market information or regarding the value of particular public market information at a particular time. The Exchange shall, in no case, be liable for errors or defects in the public market information nor shall The Exchange be obligated to provide notice of, or correct, errors in market information unless, in the Exchange’s discretion, such notice is reasonable and may be considered of significance to the Exchange Member.
1.7.19 The accuracy of market information originating from third parties is the sole responsibility of the relevant rights holder. Exchange Members shall not be liable for the accuracy of public market information originating from the Exchange's exchange operations.

1.7.20 The Exchange Member is solely responsible for ensuring that third parties with current or future access to the Exchange Member’s Technical Equipment, including information from the Exchange’s trading system and other third parties providing service to the Exchange Member and thereby receiving information from the Exchange's exchange trading system, are aware of the provisions set in this section and undertake to comply therewith.

1.8 Technical Regulations

1.8.1 For electronic connection to the Electronic Trading Platform, a special agreement (OMnet-Agreement or other agreement) shall be entered into with the Exchange. In addition, the general regulations set forth below shall apply.

1.8.2 Technical Equipment which is required for electronic connection to the Electronic Trading Platform shall be provided by the Exchange or, in relation to Technical Equipment not provided by the Exchange, approved by the Exchange.

1.8.3 Technical Equipment shall, in accordance with the provisions contained in the OMnet agreement or other agreement and these Exchange Rules, be conformance tested by the Exchange Member prior to the connection of such equipment to the Electronic Trading Platform.

An Exchange Member shall undertake conformance testing prior to initial deployment or a substantial update of the Exchange Member’s trading system(s), trading algorithm(s) and trading strategy(-ies) as well as equipment used by the Exchange Member to access the Electronic Trading Platform. The Exchange Member shall also undertake conformance testing upon request by the Exchange where there is a material change of the Exchange’s trading system. The testing shall be conducted in the conformance testing environment provided by the Exchange and in accordance with the Exchange’s instructions. It shall be sufficiently comprehensive and thorough to allow the Exchange Member and the Exchange to conclude that the basic functioning of the Exchange Member’s trading systems, algorithms and strategies, as the case may be, complies with the requirements established by the Exchange and the requirements set out in MiFID and other applicable legislation. Following a conformance test, the Exchange shall provide the Exchange Member with a conformance test report.

The Exchange reserves the right to reject the connection to the Electronic Trading Platform of Technical Equipment which does not pass the conformance testing with acceptable results in the opinion of the Exchange. The Exchange also reserves the right to require the Exchange Member to conduct additional testing or to carry out its own tests of such equipment where the Exchange deems necessary. All conformance and other testing, including when carried out by the Exchange, shall be at the expense of the Exchange Member.
1.8.4 The Exchange reserves the right, to the extent it is deemed necessary for the maintenance of properly functioning exchange operations, to limit the number of connections per Exchange Member or generally limit the order and/or transaction volume per connection.

1.8.5 The Exchange reserves the right to (i) immediately limit the order submission rate in one or more connection(s) to the Electronic Trading Platform; (ii) disconnect a connection to the Electronic Trading Platform or (iii) establish restrictions on an Exchange Member, terminate an Exchange Member's membership or effect cancellation in accordance with section 2.4.2 below, in the event the connection is used in a manner which constitutes an unusual strain on the Electronic Trading Platform through, inter alia, unusual relations between own Orders and own Exchange Transactions or otherwise, provided the Exchange deems such measure necessary for the maintenance of properly-functioning exchange operations.

1.8.6 The Exchange reserves the right to immediately, and under the time specified by the Exchange, terminate generating of derived Order Book Orders in EMP (see section 2.A4.12), provided that the Exchange deems such measure necessary for the maintenance of properly-functioning exchange and clearing operations. The Exchange may also execute partial termination of derived Order Book Orders in EMP, as a consequence of which only Order Book Orders which have the best prices in the respective series will be generated.

1.8.7 Without limiting the rights of the Exchange under section 1.5, Exchange Members shall grant the Exchange access for the inspection of Technical Equipment connected to the Electronic Trading Platform. Such inspections shall take place at an agreed time and in the presence of the Exchange Member in question.

1.8.8 The cost for the requisite Technical Equipment supplied by the Exchange and the installation and maintenance thereof shall be borne by the Exchange Member. The cost shall be debited as stated in the OMnet-Agreement or other agreement.

1.8.9 Exchange Members shall be responsible for ensuring that a technical contact person or a system contact person is available at the premises of the Exchange Member respectively during the Exchange’s opening hours, as well as one hour before and one hour thereafter.

1.8.10 Exchange Members shall be liable for all consequences resulting from the use of the Exchange Member’s electronic connection, regardless of whether or not this is done by an authorized representative of the Exchange Member, for example the placing, cancelling or changing of Orders and Exchange Transactions in the Electronic Trading Platform.

1.8.11 The Exchange Members shall follow those security instructions pertaining to the electronic connection specified by the Exchange at any given time in the OMnet-Agreement or otherwise. The Exchange Members shall have controls to ensure that no unauthorised parties directly or indirectly obtain access to the Electronic Trading Platform.
1.8a Algorithmic Trading

1.8a.1 The Exchange Member shall establish procedures for Algorithmic Trading which ensure that the risks associated with such Order placements are reasonable in relation to the limits which apply to the Exchange Member’s activities and to its limits for delivery, settlement and, where relevant, clearing. Such procedures shall contain at least the following:

- A description of the Exchange Member’s procedures for monitoring of Algorithmic Trading; and
- A description of the verification procedure to which an Order is subject before the Order is placed to the Electronic Trading Platform in order to ensure that the adequate pre-trade order validations are in place.

1.8a.2 The Exchange Member’s Technical Equipment for Algorithmic Trading shall be subject to the requirements set out in section 1.8.

1.8a.3 Exchange Members must furthermore certify that the algorithms they deploy have been tested to avoid contributing to or creating disorderly trading conditions prior to the deployment or substantial update of a trading algorithm or trading strategy and explain the means used for that testing.

1.8a.4 Algorithmic Trading must be registered in the Electronic Trading Platform by using one (1) or more specific trader ID(s) that are used solely for Algorithmic Trading.

1.8a.5 The Exchange Member shall appoint a head of trading or a person with similar responsibility as contact person responsible for any matters which may arise in connection with Algorithmic Trading, for ensuring that Algorithmic Trading is conducted in accordance with this section 1.8a, and for supervision of the Orders which result from Algorithmic Trading. The Exchange Member shall also appoint a substitute contact person.

The Exchange Member shall ensure that the Exchange is at all times correctly informed as to the name of the contact person and the substitute, and shall ensure that the contact person or the substitute can be contacted at any time during EMP accessibility hours stipulated in Appendix 4.

1.9 Intellectual property rights

1.9.1 Copyright and all other intellectual property rights to the Exchange Rules, other agreements and documents and programs which are produced by or on the initiative of the Exchange, shall be the property of the Exchange or the proprietor of the right represented by the Exchange.

1.9.2 OMX™, OMXN40™, OMXS30™, OMXH25™, OMXC20™, OMXC25™, OMXII5™, OMr™, STINA™, Sæax™, NOax™, DKax™, ISax™, FIAX™, AXLAN™, SBX™ and VINXTM, are examples of registered trademarks vested in the
Exchange, the Clearing House or their affiliates. Exchange Members are aware of and accept that trademarks vested in the Exchange, Clearing House or their affiliates may only be used as symbols for products and services originating from the Exchange or other companies within the Nasdaq group.

1.10 Limitation of Liability

1.10.1 The Exchange shall not be liable for damage resulting from Swedish or foreign legislative enactment, actions of Swedish or foreign authorities, war, power failure, telecommunications failure, fire, water damage, strike, blockade, lockout and boycott or other similar circumstances outside the Exchange’s control. This reservation applies even if the Exchange itself is the object of the strike, blockade, boycott or lockout in question, or itself adopts such hostile measures.

1.10.2 The Exchange shall in no case be liable for loss of data, lost profits or other indirect damage.

1.10.3 Should performance by the Exchange in accordance with the Exchange Rules be impeded, in whole or in part, owing to a circumstance stated in Section 1.10.1, such performance shall be suspended until that obstacle has ceased to exist. Should the existence of such circumstances impede the making or receipt of payment by the Exchange, neither the Exchange nor the Exchange Member shall be liable to pay any penalty interest for delay so caused.

1.10.4 Should the Exchange fail to timely perform delivery of the underlying property or payment to an Exchange Member in accordance with the provisions in these Exchange Rules, such Exchange Member shall be entitled to a delay fee in accordance with the Exchange’s Fee List in force at the time of the failure. However, the Exchange Member shall not be entitled to further damages or other economic compensation unless the Exchange has acted in gross negligence.

1.10.5 In addition to the provisions set forth above in this section, the Exchange’s liability to recipients of market information shall be limited as set out in section 1.7.

1.10.6 In addition to the provisions set forth above in this section, the Exchange’s liability to those electronically connected to the Exchange shall be limited as set out in the OMnet Agreement, or other agreement replacing the OMnet Agreement.

1.10.7 In addition to the provisions set forth above in this section, the liability of Exchange Members to the Exchange shall be limited as set out in the Exchange Member Agreement.

1.10.8 In addition to the provisions set forth above in this section, the liability of index owners and the Exchange shall be limited as set out in at each time applicable Addendum (see section 4).

1.10.9 Provided that normal care has been taken, the Exchange shall not be liable to pay compensation for any damage arising in cases other than those referred to in this section.
1.11 Extraordinary Measures

1.11.1 Where circumstances occur such as significant market disturbance, serious communications disturbances or other technical problems which is outside the Exchange’s control and in the Exchange’s opinion seriously affect its possibilities to maintain a properly-functioning exchange operation, the Exchange reserves the right to adopt such measures as it deems fit to ensure such aim. The Exchange reserves the right, inter alia, to cease or limit exchange operations, to amend the provisions in the Exchange Rules or other provisions regarding the Exchange’s exchange operations, or otherwise to adopt such measures as the Exchange deems necessary. When invoking this provision, the Exchange shall have the right if absolutely necessary to amend already Recorded Contracts, and any such amendments shall take effect in accordance with the Clearing Rules. In the adoption of these measures, the Exchange shall strive to maintain neutrality between Exchange Members.

1.11.2 The Exchange shall, as soon as possible, inform Exchange Members as to the measures adopted.

1.12 Assignment

1.12.1 The Exchange may assign all rights and obligations according to the Exchange Rules to another exchange organization, on condition that the exchange organization in question is subject to supervision equivalent to that which the Exchange is subject, and has administrative routines and financial resources corresponding to the Exchange’s at the time of the assignment. Such assignment may take place no earlier than six months after consultations in accordance with section 1.13, and no earlier than six months after information thereof has been provided to Exchange Members. At the above mentioned consultations the costs for the assignment shall be discussed.

1.13 Changes and Additions

1.13.1 The Exchange reserves the right to change or make additions to the provisions in the Exchange Rules. Such changes or additions shall, unless otherwise expressly stated, apply to already Recorded Contracts in accordance with the Clearing Rules. Before entering into force, they shall be reported to the Swedish Securities Dealers Association or, should the Exchange deem it appropriate, to other representatives of Exchange Members. Where these aforementioned representatives have not, within five Bank Days of the report, demanded consultations with regard to the changes and additions in question, they shall enter into force within a period of time deemed by the Exchange to be reasonable. Should delay be hazardous, or should the changes and additions be caused by any legislation, judicial decision, or decision of any public authority such changes or additions will enter into force immediately before such consultations have taken place. The aforesaid shall apply also in those cases where the changes or additions are of an editorial nature.
1.13.2 Changes and additions are normally made on a bi-annually basis, unless otherwise required on special grounds.

1.13.3 The Exchange shall inform Exchange Members concerning changes in and additions to the Exchange Rules.

1.14 Tax and VAT matters

1.14.1 Each Exchange Member shall be responsible for all applicable present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed by any jurisdiction or by any department, agency, state or other political subdivision or taxing authorities.

1.14.2 Each Exchange Member is responsible for any and all VAT payable by that Exchange Member, without any reimbursement or indemnification from the Exchange.

1.15 Applicable law and settlement of disputes

1.15.1 The interpretation and application of the Exchange Rules shall be governed by the law of Sweden, without application of its principles on conflict of laws.

1.15.2 Disputes between Exchange Members and the Exchange shall be resolved as stated in the Exchange Member Agreement, Appendix 7 of the Exchange Rules.