



APPENDIX B: MARKET MAKER OBLIGATIONS IN QUALIFYING & NON-QUALIFYING SUBCLASSES OF NORDIC EQUITY DERIVATIVES

TABLE OF CONTENTS

1.	GENERAL MARKET MAKER OBLIGATIONS.....	4
2.	ADDITIONAL INCENTIVES	9
3.	EXCEPTIONAL CIRCUMSTANCES	9
4.	MISCELLANEOUS	11

NORDIC MARKET MAKER COMMITMENT

The following market segments are covered by the Nordic Market Maker Commitment:

1. Danish Single Stock Options
2. Norwegian Single Stock Options
3. Swedish Single Stock Options
4. Danish Index Options (OMXC25)
5. Norwegian Index Options (OMXO20)
6. Swedish Index Options (OMXS30)
7. Danish Single Stock Weekly Options
8. Norwegian Single Stock Weekly Options
9. Swedish Single Stock Weekly Options
10. Norwegian Index Weekly Options (OMXO20)
11. Swedish Index Weekly Options (OMXS30)

1. GENERAL MARKET MAKER OBLIGATIONS

1.1 Continuous Provision of Quotes

The MM shall continuously provide bid and ask quotes in accordance with the conditions set out below in Sections 1.3–1.7:

12. during at least eighty per cent (80%) of normal trading hours including periods with Stressed Market Conditions, calculated as a monthly average for all underlying instruments per market segment;
13. during at least fifty per cent (50%) of normal trading hours including periods with Stressed Market Conditions, calculated for each trading day per underlying instrument

1.2 Request-For-Quote in Tailor-Made Combinations

The MM shall respond to fifty per cent (50%) of the total number of quote requests in eligible Combinations, calculated for each calendar month per underlying instrument, by providing bid and ask quotes in accordance with the following:

1. The MM shall respond by providing quotes within twenty (20) seconds after the relevant quote request.
2. The MM shall maintain quotes for a duration of at least twenty (20) seconds following a quote request. The MM may update quoted bid and ask prices during this time. If a quote is partially or fully traded before the twenty (20) seconds have elapsed, the obligation to respond to the relevant quote request will be deemed fulfilled.
3. If quotes are re-requested in the same Combination after the twenty (20) second holding time, a new quote shall be provided and again maintained for twenty (20) seconds.
4. A Combination shall be quoted with the same number of lots as the minimum outright quote size defined for the relevant underlying as set out in Section 1.6.
5. Combination bid and ask prices shall be quoted in accordance with the spread requirements defined in Section 1.7.
6. Limitations:
 - (i) A floor is applied where the obligations for a month per underlying instrument are deemed to be met if eight (8) or less quote requests were observed during the month.
 - (ii) A per month and underlying instrument cap is applied where a maximum of one hundred (100) quote requests are counted of which fifty per cent (50%) must be answered. For OMXS30, the cap is two hundred (200) quote requests.

- (iii) The MM's obligation to respond to quote requests in Combinations is limited to Combinations that meet all the following conditions:
 - (A) The Combination is a standard strategy, as determined by the Exchange from time to time and specified in the Market Model Nasdaq Derivatives Markets.
 - (B) Each component of the Combination is an instrument Series that is covered by the MM's continuous quotation requirements as defined in Sections 1.3–1.5.
 - (C) No component of the Combination is an instrument Series where the MM is only required quote an ask price and no bid, in accordance with Section 1.7.
 - (D) Quote requests issued during the first twenty (20) minutes of normal trading hours on each trading day, will not be counted by the Exchange for the purpose of determining the MM's effective compliance with the requirements defined in this Section 1.2.

1.3 **Number of Underlying Instruments**

The Exchange determines the from time-to-time applicable classification of underlying instruments. The classes are designated as follows:

1. Swedish underlying instruments: Class S1, Class S2, Class S3 and Class SX
2. Danish underlying instruments: Class D1, D2, D3 and DX
3. Norwegian underlying instruments: Class N1, N2, N3 and NX

For qualifying subclasses, as a minimum the MM undertakes to regularly quote instrument Series based on the OMXS30 index, all Swedish, Danish and Norwegian underlying instruments in classes S1, S2, S3, D1, D2, D3, N1, N2 and N3. Wild cards, as defined below, will be excluded and predetermined by the MM.

In addition, the MM may undertake to quote instrument Series based on one or more underlying instruments selected from Classes SX, DX and/or NX, subject to an additional incentive as set out in section 2.2.

1.3.1 Wild cards:

The MM can select an underlying instrument(s) to be disregarded when counting a market segments total monthly percentage regarding qualifying subclasses and the determination if the MM shall be entitled to Nordic Market Maker fees in accordance with the Market Maker Fee List. Such an underlying instrument is defined as a Wild card. Wild cards have to be predetermined on a calendar month basis and are available on the following segments: five (5) on Swedish Single Stock Options, three (3) on Danish Single Stock Options, three (3) on Norwegian Single Stock Options and two (2) on Swedish Single Stock Weekly Options.

For non-qualifying subclasses, underlying instruments selected as Wild cards, the MM undertaking shall include underlying instruments chosen by the MM.

1.4 **Number of Expiration Months/Weeks**

Regarding qualifying subclasses, the MM shall provide quotes in:

1. Danish Single Stock Options: the six (6) quoted Expiration Months with the shortest Terms regarding Class D1, D2, D3 and the three (3) quoted Expiration Months with the shortest Terms regarding Class DX.
2. Norwegian Single Stock Options: the six (6) quoted Expiration Months with the shortest Terms, regarding Classes N1, N2 and N3, and the five (5) quoted Expiration Months with the shortest Terms regarding Class NX.
3. Swedish Single Stock Options: the seven (7) quoted Expiration Months with the shortest Terms regarding Class S1, the six (6) quoted Expiration Months with the shortest Terms regarding Class S2, and the five (5) quoted Expiration Months with the shortest Terms regarding Class S3 and Class SX.
4. Danish Index Options: the six (6) quoted Expiration Months with the shortest Terms.
5. Norwegian Index Options: The seven (7) quoted Expiration Months with the shortest Terms.
6. Swedish Index Options: The six (6) quoted Expiration Months with the shortest Terms.
7. Regarding Instruments on Weekly options, the MM shall continuously provide quotes in all quoted Expiration Weeks in all segments.
8. Regarding non-qualifying subclasses, the MM shall provide quotes in the two (2) quoted Expiration Months/Weeks with the shortest Terms.

Except for options on Swedish shares, the five (5), six (6) or seven (7) first listed Expirations Months shall be determined without regard to instrument Series which has the current day as the Expiration Day.

1.5 **Number of Instrument Series**

1.5.1 Options on Shares and indices other than OMXS30:

The MM shall provide quotes in sixteen (16) instrument Series per Expiration Month/Week for the selected underlying instruments. The MM undertakes to quote pursuant to the following: eight (8) call option instrument Series and eight (8) put option instrument Series. The option instrument Series that shall be quoted for each term are the instrument Series which is at-the-money, the two (2) instrument Series which are closest to being in-the-money, and the five (5) instrument Series which are closest to being out-of-the-money. In cases where instrument Series are not available for trading

according to the above, the seven (7) instrument Series nearest at-the-money shall be quoted for each term.

1.5.2 **Options on the OMXS30 Index:**

Regarding the first three (3) listed Expiration Months and all Expirations Weeks, the MM shall provide quotes pursuant to the following per Expiration, per option type (call/put): the one (1) instrument Series which is at-the-money, the two (2) instrument Series which are closest to being in-the-money, and the four (4) instrument Series which are closest to being out-of-the-money. In cases where instrument Series are not available for trading according to the previous, the seven (7) instrument Series nearest at-the-money shall be quoted for each Expiration.

Regarding the following three (3) listed Expiration Months, the MM shall provide quotes pursuant to the following per Expiration, per option type (call/put): the one (1) instrument Series which is at-the-money, the one (1) instrument Series which is closest to being in-the-money, and the two (2) instrument Series which are closest to being out-of-the-money. In cases where instrument Series are not available for trading according to the previous, the four (4) instrument Series nearest at-the-money shall be quoted for each Expiration.

1.6 **Number of Contracts (Minimum Quote Size)**

Each individual bid or ask price quoted by the MM shall be for at least the required number of Contracts, as determined by the Exchange from time to time and specified per underlying instrument in Appendix A for classification of qualifying subclasses.

Where the underlying instrument is an individual stock, depositary receipt or exchange traded fund; the required number of Contracts will be halved (rounded up where applicable) for instrument Series which has the current day as the Expiration Day.

During Stressed Market Conditions, the required number of Contracts in individual bid and ask quotes will be halved (rounded up where applicable) for the concerned underlying instrument(s).

1.7 Spread Requirements

The spread requirements for the Nordic market maker commitment in qualifying and non-qualifying subclasses are the same as for the respective market maker commitment in Danish, Norwegian or Swedish qualifying subclasses, regarding the same underlying instrument.

To perform its Market Maker commitment in options on the OMXS30 index, the MM shall quote pursuant to the defined normal spread requirements. Upon fulfilment of such minimum quoting obligations regarding both monthly and weekly expirations, the MM may qualify for an additional fee rebate if meeting the defined tighter spread requirements in a limited set of Series as set out in section 2.3.

Details on the available spread tables that define maximum bid-ask spread for different price ranges, expiration months and where applicable for normal and tighter requirements, respectively, are specified in the respective Appendix B for Market Maker Obligations in Qualifying Subclasses of Danish, Norwegian or Swedish Equity Derivatives. For Combinations, the values defined for far months are always used.

Information on which spread table that applies for option Series per underlying Instrument, as determined by the Exchange from time to time, is specified in the respective Appendix A for Classification of Qualifying Subclasses of Danish, Norwegian or Swedish Equity Derivatives.

For outright instrument Series, the applicable spread will be determined by the quoted bid price.

For Combinations, the applicable spread will be determined by the quoted price that is closest to zero (0); for negative prices, the max spread applicable for its absolute value will be used.

No bid price is required by the MM in order to fulfil the spread requirements in a certain instrument Series, if the quoted ask price from the MM in that instrument Series is at or below the smallest defined spread in the applicable spread table.

Where the underlying instrument is an individual stock, depositary receipt or exchange traded fund, the spread requirements will double for instrument Series which has the current day as the Expiration Day.

During Stressed Market Conditions, the spread requirements (normal and tighter) will double for all instrument Series based on the concerned underlying instrument(s).

In case the price, volatility and/or liquidity for an underlying instrument change significantly, the Exchange may widen the spread requirements by assigning a different spread table. Such change can be implemented with shorter notice, at the earliest as of the next trading day, than the required thirty (30) days in advance notification regarding changes to the obligations in this appendix.

2. ADDITIONAL INCENTIVES

2.1 Stressed Market Incentive

The MM is entitled to an additional rebate in accordance with the Market Maker Fee List if during Stressed Market Conditions and for the concerned underlying instrument(s), the MM continuously provide quotes:

1. During at least eighty per cent (80%) of the time with Stressed Market Conditions, calculated as a monthly average per underlying instrument.
2. In accordance with the quotation requirements set out in Sections 1.3–1.7.

2.2 Product growth segment incentive

The MM is entitled to an additional rebate in accordance with the Market Maker Fee List, regarding the respective underlying instruments selected from classes SX, DX and/or NX that have been quoted in accordance with the requirements set out in this Appendix.

2.3 OMXS30 index options tighter spread incentive

Upon fulfilment of the minimum quoting obligations pursuant to normal spread requirements regarding both regular and weekly options on the OMXS30 index, the MM may qualify for an additional fee rebate based on the time it has met tighter spread requirements:

1. in the number of instrument Series per expiration set out in section 1.5;
2. regarding the three (3) first listed Expiration Months and all listed Expiration Weeks;

in accordance with the Market Maker Fee List.

The quotation time will be measured in terms of coverage of normal trading hours including periods with stressed market conditions, calculated as a monthly average.

3. EXCEPTIONAL CIRCUMSTANCES

Exceptional Circumstances is a market condition declared by the Exchange due to an extreme market situation as defined in Article 3 of Commission Delegated Regulation (EU) 2017/578. See also Section 2.6 of the Exchange Rules and the Market Model Nasdaq Derivatives Markets for further details.

During Exceptional Circumstances, temporary deviations from the obligations stated in this Appendix is allowed. Exceptional Circumstances will be treated on a case-by-case basis. During Exceptional Circumstances, quoting obligations are temporarily disabled.

Exceptional Circumstances can be applied for:

1. one or several market segments;
2. for all Market Makers; or
3. for a specific Market Maker.

For a specific Market Maker:

An MM can apply for Exceptional Circumstances due to its inability to maintain prudent risk management practices pursuant to Article 3 of the Commission Delegated Regulation (EU) 2017/578.

In case an MM applies for Exceptional Circumstances, it must submit a prompt notice of its inability to maintain prudent risk management practices to the Exchange. The notice shall be sent to tradingoperations@nasdaq.com and shall outline the issue in detail and when it is expected to be resolved. Details shall for instance include whether the issue is of internal character or if it is related to an external supplier whereby the supplier shall be named. The MM must also submit a prompt notice when the issues have ended.

The Exchange may require the MM to submit additional details evidencing its inability to maintain prudent risk management practices.

Based on the provided evidence, the Exchange will on a case-by-case basis decide on whether the request shall result in Exceptional Circumstances whereby the MM's quoting obligations are temporarily disabled.

By default, declared Exceptional Circumstances are valid for one day. If the issues persist for more than one day, the MM must notify the Exchange each day separately.

For the same occasion and issue, Exceptional Circumstances can be granted for up to one week in total. Upon agreement and in extreme cases the Exchange may extend the time limit.

4. MISCELLANEOUS

4.1 Validity:

The obligations defined in this Appendix are valid until further notice. The MM shall be notified thirty (30) days in advance regarding changes to the obligations in this Appendix.

4.2 Monitoring:

The Exchange shall monitor the MM's effective compliance with the requirements in this Appendix and determine if the MM shall be entitled to market maker fees in accordance with the Market Maker Fee List based on the above required number of Contracts to be quoted for each underlying instrument.

4.3 Recommencement of obligations:

The MM shall resume trading as soon as possible in conjunction with the recommencement of trading after Suspension of Trading, an extraordinary closure or after a period with Exceptional Circumstances and following Exchange Transactions.

4.4 Period of validity of quotes:

The quotes are valid up to the making of a new quote with respect to the same instrument Series or until the revocation which is immediately followed by a new quote regarding the same instrument Series.