



NOREXECO Rulebook

Appendix 5

Market Conduct Rules

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Introduction

This Appendix has been issued and arranged by NOREXECO under the Rulebook in order to secure the Trading set forth at NOREXECO. The Products subject to these rules are defined in Appendix 1 to the rulebook, the NOREXECO Product Specification. In the event of any conflict between the Rulebook and these terms, the Rulebook shall prevail.

The Trade Member shall ensure that its Responsible Person(s) and Trader(s) comply with the Conduct Rules set out in this Appendix.

Market Manipulation at NOREXECO

Trade Members shall not engage in Market Manipulation. The Norwegian Securities Trading Act Section 3-8 applies:

Section 3-8 Market manipulation

1. No-one may engage in market manipulation in relation to financial instruments.
2. “Market manipulation” means:
 - 1) transactions or orders to trade which give, or are likely to give, false, incorrect or misleading signals as to the supply of, demand for or price of financial instruments, or which secure the price of one or several financial instruments at an abnormal or artificial level, unless the person or persons who entered into the transactions or issued the orders to trade establish that their reasons for doing so are legitimate and that these transactions or orders to trade conform to conduct accepted by Finanstilsynet as market practice on the market concerned, or
 - 2) transactions entered into or orders to trade given in relation to any form of misleading conduct, or
 - 3) dissemination of information through the media, including the Internet, or by any other means, which gives, or is likely to give, false, incorrect or misleading signals as to financial instruments, including the dissemination of rumors and news, where the person who made the dissemination knew, or should have known, that the information was false, incorrect or misleading. In respect of journalists acting in their professional capacity, such dissemination of information is to be assessed taking into account the rules governing their profession, unless those persons derive, directly or

indirectly, an advantage or profits from the dissemination of the information concerned.

3. The ministry may in regulations lay down further rules on market manipulation and accepted market practices.

The regulations in the Securities Trading Regulation sections 3-1 to 3-3 apply accordingly.

Insider Trading at NOREXECO

Trade members in possession of may neither directly nor indirectly, for own or third party account, subscribe, purchase, sell or exchange financial instruments or incite others to carry out such transactions, cf the Norwegian Securities Trading Act Section 3-3.

The definition of Inside Information in the Norwegian Securities Trading Act Section 3-2 applies, in particular Section 3-2 (4):

Section 3-2 Definition of inside information

1. “Inside information” means any information of a precise nature relating to financial instruments, the issuers thereof or other circumstances which has not been made public and is not commonly known in the market and which is likely to have a significant effect on the price of those financial instruments or of related financial instruments.
2. “Information of a precise nature” means information which indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur and which is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of the financial instruments or related financial instruments.
3. “Information likely to have a significant effect on the price of financial instruments or of related financial instruments” means information of the kind which a reasonable investor would be likely to use as part of the basis of his investment decisions.
4. “Inside information on commodity derivatives” means information of a precise nature which has not been made public and which relates, directly or indirectly, to one or more such derivatives and which participants in the market on which such derivatives are traded would expect to receive in accordance with what the Financial Supervisory Authority of Norway deems to be accepted market practices on the market concerned. “Information which participants would expect to receive” means information which is normally made

available to market participants or information the publication of which is required by statute, regulations or other regulatory regime, including private law regulation and practices on the commodity derivatives market concerned or the underlying commodity derivatives market.

The ministry may issue regulations laying down further rules on inside information in relation to commodity derivatives and accepted market practices.

Unreasonable business methods

Trade Members must in accordance with the Securities Trading Act section 3-9 not apply unreasonable business methods when carrying out trading at NOREXECO.

Duty to provide NOREXECO with information

Each Trade Member is obliged to provide NOREXECO with such information as described in the Rulebook.

Furthermore, Trade Members and their board of directors and employees are, upon a written notice from NOREXECO, under an obligation to provide NOREXECO with written information or documents that, even if it is held by third parties, is relevant in respect to NOREXECO's role in Market Surveillance and to the Market Conduct Rules.

A Trade Member shall immediately notify NOREXECO in writing of the occurrence of any events that might influence the Trading at NOREXECO or the Trade Members' compliance with the Rulebook or its Appendices, or as soon as the Trade Member finds it likely that any of the following events may occur:

- any non-compliance event under the Rules
- any disciplinary, criminal or regulatory proceedings against the Trade Member, its officers or employees
- any default event in relations to the Clearing House partner of NOREXECO
- any merger, de-merger or corporate event
- change in management where competence in relation to the membership at NOREXECO is not substantially maintained
- any material changes to its business that materially may affect the Trade Membership or trading at NOREXECO
- changes in its MiFID II Regulatory Status, classification as Investment firm or non-Investment firm
- change of LEI code

Good practices on regulated markets

Trade Members shall always act in accordance with good practices on regulated markets.

Measures in case of violation of the Rules

In case a violation of the Rulebook, including the Appendices, by a Trade Member constitutes a threat to the integrity or the safety of the markets operated by NOREXECO, or upon instruction of a public authority, NOREXECO may take immediate measures to protect such markets, including suspension of all or some of a Trade Members trading rights in accordance with the Rulebook section 19.