



Turquoise

London Stock Exchange Group

Attachment 2 to Market Notice N09/13

TURQUOISE DERIVATIVES RULE BOOK

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1.1 Introduction

1.1.1 Turquoise Global Holdings Limited (“**Turquoise**”) is a Multilateral Trading Facility (“**MTF**”) authorised and regulated by the Financial Conduct Authority (“**FCA**”). Turquoise has made arrangements for Clearing services for Listed Products and Clearing services in relation to Tailor-made contracts to be provided by LCH.Clearnet Limited (“**LCH**”) acting as the Designated Clearing House for Turquoise Derivatives. LCH is a Recognised Clearing House in the United Kingdom pursuant to the Financial Services and Markets Act 2000 (the “**Act**”).

References in these Rules to “**Turquoise Derivatives**” or “**Turquoise**” shall be construed as references to TGHL.

Turquoise provides a linked Orderbook for Norwegian products with Oslo Børs ASA (“**Oslo Børs**”) owned by Oslo Børs VPS Holding ASA. These arrangements are governed by a Co-operation Agreement entered into by Turquoise with Oslo Børs and are designed to ensure that Members of each trading venue may participate equally in the markets of these Contracts. Oslo Børs is recognised as an Exchange incorporated as a public limited liability company under the laws of Norway, which is used by its Members, amongst other things, for trading of securities and Derivatives.

The Co-operation Agreement includes a reference to the Operational Procedures which cover the surveillance and investigation procedures. Oslo Børs members are subject to Oslo Børs’ disciplinary procedures, and Turquoise members are subject to Turquoise’s disciplinary procedures.

1.1.2 These Rules prescribe the terms on which Turquoise provides trading facilities to its Members and the arrangements made by Turquoise in conjunction with the Designated Clearing House in relation to the Clearing and Settlement of Contracts entered into under these Rules.

In the event that there is any conflict between these Rules and any other statement whether written or oral made by Turquoise at any time, the terms of these Rules shall prevail.

1.1.3 Members are entitled to Report Turquoise Derivative contracts and register them for Clearing when entered into on a bilateral basis.

1.1.4 The trading services provided by Turquoise are provided by it in its capacity as a MTF subject to the supervision of the FCA and to the requirements of FCA handbook relating to Multilateral Trading Facilities.

1.1.5 Turquoise shall not be liable for damages for anything done or omitted in the discharge of these rules unless it is shown that the act or omission was done in bad faith.

1.2 Definitions

1.2.1 Unless the contrary intention appears, the following terms used in these Rules shall have the meanings given below:

“Account” means:

- (i) an Account held by a General Clearing Member at the Designated Clearing House in which Futures and Options transactions entered into whether on own Account or on behalf of a Client by such General Clearing Member or by a Member for whom the General Clearing Member acts as such pursuant to the Designated Clearing House Regulations may be registered; or
- (ii) an Account held by a Clearing Member at the Designated Clearing House in which Futures and Options transactions entered into by such Clearing Member whether on own Account or on behalf of a Client pursuant to the Designated Clearing House Regulations may be registered;

an Account held by a Non Clearing Member at Turquoise in which Futures and Options transactions are entered; **“American Style** means the Option style which allows an Exercise at any time between the trade date and Expiration Day;

“Appeals Committee” means a sub-committee of the Board with responsibility for the disciplinary process;

“Assignment” means the act effective on the seller (the “Writer”) of an Option Contract where the buyer (the “Holder”) has exercised its right to Settlement under the terms of the Option Contract and the seller must deliver on those terms;

“Associated Clearing House” means the Clearing House for Oslo Børs;

“At-the-Money” means the state of an Options Contract whose strike price is equal to the spot price at a given point in time (e.g. at Expiration);

“Authorised Person(s)” means an individual(s) at a Member firm appointed by the Member who are authorised to carry out instructions to Turquoise as detailed in the Turquoise Membership Application form;

“Balance Contract” means the arrangements established between the Designated Clearing House and Oslo Børs governing the administration and settlement of contracts resulting from Transactions effected by a Member of Turquoise and a Member of Oslo Børs;

“Bank Day” means a day other than a Saturday or a Sunday or other bank holiday on which settlement for a specific Derivatives Contract can be affected. Refer to Turquoise trading calendar at www.tradeturquoise.com;

“BCS” means Borsa Italiana Clearing Station which is used by Members to access Turquoise’s clearing services;

“Bilaterally negotiated trade” means a trade for which both Counterparties have agreed all details of the trade prior to Trade Reporting to Turquoise;

“Block Trade” means a Bilaterally negotiated trade which meets minimum block size for a given Contract. Block Trades can be either ‘Cross Trade’ or ‘Committed’ trades;

“Broker” means a Member which has entered into the Membership Agreement and which may enter into Transactions on behalf of Clients in accordance with these Rules;

“BTS” means Borsa Italiana Trading Station which is used by Members to access Turquoise’s trading services;

“Business Day” means any day in the relevant market on which banks are open and/or which is not a public holiday;

“Call Option” means: an Option Contract that gives the buyer the right but not the obligation to buy the Underlying at the agreed price from the seller;

“**CC&G**” means Cassa di Compensazione e Garanzia S.p.A. Further information can be found at <http://www.ccg.it>;

“**Central Counterparty**” means a financial institution that performs novation of contracts and subsequently becomes the Counterparty to all trades on Turquoise, also referred to as (Designated) Clearing House;

“**Circuit Breaker**” means system level protection algorithm that automatically stops a Trade from being entered or executed against if a certain specific parameter such as quantity or price is outside the limits defined by Turquoise in the Turquoise Derivatives - Trading Service Description;

“**Clearing Application**” means the application used by Members to perform back office functions on Turquoise Derivatives (also known as BCS);

“**Clearing Capacity**” means the Accounts allocated by the Designated Clearing House in accordance with 3.5;

“**Clearing House Regulations**” means the General Regulations, Default Rules and Procedures of the Designated Clearing House as amended from time to time;

“**Clearing Member**” means a Member of the Designated Clearing House including a General Clearing Member, or Individual Clearing Member;

“**Client or Clients**” means a person or persons for whom a Broker acts in relation to the effecting trading, clearing and settlement of transactions on Turquoise pursuant to these Rules;

“**Client Account**” means the Account in which transactions entered into by a Member on behalf of its own Clients, and only such transactions, are to be registered;

“**Closing Transaction**” means, the closing of a position in a Derivatives Contract;

“Collateral” means one or more of the forms of security accepted by the Designated Clearing House for such purposes;

“Combination Order” means an Order the terms of which stipulate that two or more Orders in different Series shall be executed simultaneously with other Orders forming part of the Combination;

“Committed Trade” means matching facility to support reporting of executions negotiated between different members for the purposes of trade publication and clearing. Orders must specify the intended counterparty and do not interact with the anonymous Orderbook. Orders stay in the committed book until the end of the day unless matched or deleted. Also called, “Interbank trade”;

“Contract” means the individual traded unit of a Derivative;

“Contract Specification” means the detailed information in respect of a Contract setting out the standard terms of such Contract, as varied from time to time;

“Co-Operation Agreement” means the agreement between Turquoise and Oslo Børs with regards to the access to a linked Orderbook;

“Corporate Action” means any event that brings material change to an Underlying; and results in recalculation of Contracts;

“Counterparty” means an institution that performs a trade is referred to as a Counterparty to that trade. There are two Counterparties to every trade;

“Cross Trade” means type of Bilateral negotiated trade in which the same Counterparty is on both sides of the order. This is also called a “Two-sided trade” or “Intrabank trade”;

“Custodian” means an Institution used for delivery or receipt of a Stock or DR deliverable under the terms of a Contract;

“Daily Cash Settlement” means the process of cash settlement effected for a Future Contract on each Trading Day during its lifetime in accordance with the Rules for that Contract;

“Daily Settlement Amount” means the amount payable to or by a Member in relation to each Daily Cash Settlement;

“Daily Settlement Price” means the price against which a Future Contract is settled at the end of each Trading Day or the price against which American style Option Contracts are early exercised;

“Delivery” means the process of delivering Stock/DR’s in exchange for payment of the Delivery Settlement Amount;

“Delivery Settlement Amount” means the amount payable by or to the counterparties of the Delivery;

“Depository Bank” means the Institution that issues a specific Depository Receipt on behalf of the Underlying Company. The Depository Bank maintains a holding of Stock in the Underlying on which it is able to issue DRs;

“Depository Receipt” (“DR”) means a Global Depository Receipt which is listed or traded on the IOB and which corresponds to a share, shares or to a percentage of a share of the company in question that is publicly traded;

“Designated Clearing House” means LCH.Clearnet Limited, a Recognised Clearing House, as the provider of clearing services to Turquoise;

“Designated Settlement Venue” means the Custodian appointed by the Designated Clearing House for Settlement of the Underlying product as defined in the individual Contract Specifications;

“Dividend” means unless otherwise specified, always refers to an Ordinary Dividend;

“Dividend Information Provider” means a supplier of Dividend data to Turquoise;

“End of Day Price” means the price used to calculate theoretical value of Option Contract positions in order to facilitate the margining process at the Clearing level. This price is calculated in accordance with standard Black Scholes options pricing model;

“European (style)” means option style which only allows Exercise on Expiration;

“Ex-Day” means the first day on which a specific Stock or DR can be purchased without participating in the Corporate Action or Dividend;

“Exercise” The act whereby the buyer (the “Holder”) of an Options Contract chooses to Exercise its right to buy or sell the Underlying to the seller (the “Writer”) under the terms of the Option Contract and will receive Settlement on those terms;

“Exercise Settlement Amount” means the monetary amount due to or payable by a Member on Exercise of an Options Contract as specified in the relevant Statement;

“Exercise Settlement Price” means the price of the Underlying (the Spot Price) against which an Option Contract is Exercised;

“Exercise Window” means the period of time during which Exercise order in relating to Option Contracts can be sent in accordance with the particular Option Contract Specifications;

“Expiration” means the moment that a Derivatives Contract ceases to exist, and therefore is no longer tradable;

“Expiration Day” means the date on which Expiration occurs;

“Expiration Month” means the month in which the Expiration Day falls;

“Expiration Settlement Amount” means the monetary amount due to or payable by a Member on Exercise of an Option Contract as specified in the relevant Statement. For cash settled Options, this will be calculated according to the difference between the Strike

Price and the Expiration Settlement Price. For physically settled Options, this will be calculated according to the Strike Price with a corresponding Delivery of the Underlying by the Short Party;

“Expiration Settlement” means the procedures for final settlement of a Contract on Expiration provided for in these Rules and the Designated Clearing House Regulations;

“Expiration Settlement Day” in relation to a Series, means the day on which final settlement of Contracts in such Series which have proceeded to Expiration Settlement are to be performed;

“Expiration Settlement Price” means the price against which Derivative Contracts are settled upon Expiration;

“Expiration Year” means the year in which Expiration occurs;

“Expiry Index” means the FTSE Expiry Indices that facilitates the calculation of the Expiry Settlement Price for the FTSE 100 Contracts;

“Expiry Value” means the final Index level of the “Expiry Index” on Expiration Day that is used to calculate Final Settlement Price for a Contract;

“Extraordinary Dividend” means any Dividend not defined as Ordinary by the Depository Bank or Issuer;

“Fair Value” means the theoretical Daily Settlement Price calculated using the following elements: the closing value of the Underlying, applicable interest rate, Dividend amount and ex Dividend day, or the adjustment factor used in a Corporate Action event;

“Force Majeure” means the clause to excuse a party from liability if some unforeseen event beyond the control of that party prevents it from performing its obligations under the contract;

“FCA” means the Financial Conduct Authority;

“FTSE 100 Expiry Index” means the Index calculated by FTSE only on Expiration Day from market open on the London Stock Exchange until the intraday auction between 10:10 am and 10:15 am. The Index subsequently freezes until the next month’s Expiration Day. The frozen value calculated at the end of the auction is called the Expiry Value;

“FTSE 100 Index” means UK benchmark Index. It (and the FTSE 100 Index compilation and calculation methods) is described more particularly in the conditions for the FTSE 100 Index which is set out at www.ftse.com/Indices as amended from time to time;

“FTSE Russia IOB Index (RIOB)” means Market-capitalisation weighted Index representing the performance of the 15 largest Russian DRs listed on the London Stock Exchange’s International Order book that pass screening for size and liquidity which are set out at www.ftse.com/Indices as amended from time to time;

“Future Contract” means a Contract that confers an obligation to trade the Underlying at a pre-defined price on a pre-defined date in the future.

“Future Price” in relation to a Futures Contract, means the level (price) at which the counterparties agree to trade;

“General Clearing Member” (“GCM”) means a Member which is a Member of the Designated Clearing House and which has entered into a relationship prescribed by the Designated Clearing House for such purposes, thereby agreeing to act in the capacity of General Clearing Member for themselves or a Client in question;

“Give up” means a trade that has been executed and then transferred to another Clearing Member for the purposes of Clearing;

“Gross Dividend” means the amount of a Dividend paid by the Depository Bank or the Issuer prior to deductions of any tax (eg withholding tax) or any DR Bank fees;

“High Speed Vendor Feed” (“HSVF”) means Turquoise’s electronic Market Data information dissemination system;

“Holder” “The Buyer” or “Long (party)” of an option contract. The Holder will have the right to Exercise on Expiration;

“Iceberg Order” means an Order that can be placed with a total volume and a shown volume. The hidden volume is the part of the volume that is not visible on the Orderbook. The shown volume is part of the total volume. When such an Order is partially traded and the shown volume reaches zero, an additional part is shown, as long as there is total volume remaining. Also known as disclosed quantity order;

“In-the-Money” means an Options Contract that would result in a profit to the buyer if Exercised at that moment in time;

“Index” means;

- (i) a nominated sector of share issuance;
- (ii) a list of shares in such sector (the “constituent shares”); and
- (iii) the algorithm in accordance with which prices of such constituent shares are combined to generate a single figure which is calculated by the Index Provider or the Index Calculator, as the case may be (an “Index figure”) and published from time to time;

“Index Calculator” means the organisation that has responsibility for the calculation of the Index in accordance with its Rules. Also see “Index Provider”;

“Index Provider” means the organisation that has responsibility for provision of the Index in accordance with its Rules. Also see “Index Calculator”;

“Information Licence Agreement” means the agreement governing the right to use and/or disseminate Turquoise’s Market Data;

“International Order Book” (“IOB”) means a market of the London Stock Exchange which allows amongst others secondary market trading in Depositary Receipts (DR);

“Issuer” means the Underlying Company on which a Stock/DR is based;

“**Lifetime**” in relation to a Contract means the period from the Listing Day to the Expiration Day inclusive;

“**Limit Order**” means an order entered on to the Orderbook at a specified price which will execute at that price or better, any residual is retained on the Orderbook unless designated as an immediate order; if not an immediate order the residual remains until withdrawn or filled;

“**Listed Product**” means a product which is listed by Turquoise and which may be traded by means of its facilities, the terms of which are detailed in the respective Contract Specification for the Product in question;

“**Listing Day**” means the date on which a Derivative Contract is first listed by Turquoise;

“**London time**” means Greenwich Mean Time (GMT) with adherence to British Summer Time (BST). BST begins on the last Sunday of March and ends on the last Sunday of October, during which time clocks are advanced from GMT by one hour (GMT +01:00). Save where these Rules state expressly to the contrary, all references to time in the Rules are references to London time;

“**Long (Party)**” means the buyer or “Holder” of a Derivatives Contract. The Long party will have the right to Exercise an Option or Receive Delivery on Expiration of a Future Contract;

“**Margin**” means cash paid to, and held by, the Designated Clearing House in order to manage Counterparty risk associated with every position;

“**Market Data**” means information relating to Listed Products which is published by Turquoise as described in 2.1.1;

“**Market Maker**” means a Member which has entered into the Market Maker Agreement;

“**Market Maker Account**” means the Account used by the Market Maker for its Market Making activity;

“Market Maker Agreement” means the standard form agreement entered into between a Market Maker and Turquoise whereby the Market Maker agrees to act as such in relation to certain specified products;

“Market Maker Document” means the document, as amended from time to time, which contains further details in respect of Market Makers obligations, and applicable sanctions. This document shall be read in conjunction with the Market Maker Agreement and the Turquoise Derivatives Rules and is available at www.tradeturquoise.com;

“Market Notice” means an announcement published on the Turquoise Website; and emailed to relevant recipients’ containing important and relevant market updates;

“Market Operations” means the operational management relating to all Derivatives processing and Clearing;

“Market Order” means an Order that executes at best available price until all volume on opposite side has been traded. Residual is converted to a Limit Order at the last price that the original order was executed;

“Member” means a party which has entered into the Member Agreement with Turquoise;

“Member Agreement” means the standard form agreement entered into between a Member and Turquoise governing that party’s position as a Member;

“Membership Criteria” means the requirements applied by Turquoise set out at 1.3 which need to be satisfied by applicants for Membership in the category in question;

“Multiplier” means the quantity or value of the Underlying represented by either one contract or one Index point as specified in the relevant Contract Specification;

“Net Dividend” means the amount of Dividend that is physically paid by the Depository Bank or the Issuer **after** deductions of any tax (eg withholding tax) or any DR Bank fees;

“Non-Clearing Member (“NCM”)” means a Member which is not a Member of the Designated Clearing House and which is a party to a NCM-GCM Agreement;

“NCM-GCM Agreement” means Tri-party agreement between Non-Clearing Member, their General Clearing Member and the Designated Clearing House. This must be in place before either Turquoise or the Designated Clearing House allows the NCM to begin trading on Turquoise’s Derivatives markets;

“Non-Standardised Combination” means a trading strategy defined by the Member on any product traded on Turquoise Derivatives;

“OBX Index” means the Total return Index, free float adjusted, comprising the 25 most traded Norwegian stocks. This is revised on the third Friday every December and June. Conditions of the OBX Index of Oslo Børs can be found on the Oslo Børs www.oslobors.no;

“Opening Transaction” means the opening of a position in a Derivatives Contract;

“Options Contract” means a Contract that confers the right but not the obligation to trade the Underlying at a pre-defined price on a pre-defined date in the future;

“Options Style” means either European style or American style as the case may be and “Style” shall be construed accordingly;

“Options Type” means either a Call Option or a Put Option as the case may be and “Type” shall be construed accordingly;

“Order” means an offer to buy or sell a number of Derivatives Contracts submitted to an Orderbook;

“Orderbook” means the facilities operated by Turquoise for the submission and execution of Orders;

“Ordinary Dividend” means any Dividend defined as ordinary by the Depository Bank or Issuer;

“Oslo Børs” means Oslo Børs ASA owned by Oslo Børs VPS Holding ASA;

“Out-Of-The-Money (OTM)” means an Options Contract that would result in a loss to the buyer if Exercised at that moment in time;

“Physical Settlement” in relation to a Futures or an Options Contract means the process of settlement of such Contract to be performed by the delivery of the Underlying security;

“Position Limits” means the limits applied from time to time by Turquoise whether generally or in relation to a particular Member imposing limits on the number of Contracts of any type which may be executed by a Member;

“Premium” means the level (price) at which an Option Contract is valued and is payable by the buyer to the seller upon completion of a trade. This payment secures the right to buy or the right to sell at the Strike Price on Exercise;

“Premium Settlement Day” means the day on which the Premium is settled;

“Proprietary Account” means an Account of the type described in 3.1.1 which transactions entered into by a Member on its own Account, and only such transactions, are to be registered;

“Protected Payment System (“PPS”)” has the meaning given to it in 1.10.1;

“Protest” means a request submitted by a Member to Turquoise requesting the cancellation or amendment of an incorrect Registration or the Registration of a Transaction which had been omitted, or a request for an amendment of an incorrectly executed or non-executed Exercise or Cash Settlement;

“Put Option” means: a Derivative Contract that gives the buyer the right but not the obligation to sell the Underlying at the agreed price to the seller;

“Recalculation Day” means the day on which a Contract is adjusted to reflect the effect of a Corporate Action;

“Recognised Clearing House” means an organisation recognised as such pursuant to the Act;

“Record Date” means the date established by an Issuer by which a shareholder must officially own Shares in order to be entitled to a Dividend or other such distribution;

“Registered Contract” means a Futures Contract or an Options Contract recorded in an Account following the execution of a Transaction entered into by means of Turquoise’s facilities or the Registration of a trade report;

“Registration” means the process of recording Bilaterally negotiated trades that have been Trade Reported to Turquoise;

“Request for Re-Registration” means a request submitted by a Clearing Member to the Designated Clearing House seeking the Re-Registration of one or more Registered Contracts;

“Re-Registration” means the process of transferring a Registered Contract from one Account to another Account pursuant to a Request for Re-Registration submitted in accordance with these Rules;

“Rules” means these Rules, as amended from time to time;

Series” means a Derivatives contract represented by; For Futures the Underlying, month and year (and actual Expiration Day for Tailor-made contracts), for Options the Underlying, month, year, Strike Price and (Options style and actual Expiration Day for Tailor-made contracts only);

“Settlement” means the process of moving cash and/or the physical Underlying (where applicable) between Members, normally resulting

from trading activities such as Assignment, Exercise, Opening Transactions, Closing Transactions, etc;

“Settlement Day” means the day on which cash and/ or Stock/DR is moved between Members;

“Statement” means the statements made available to Members through the Clearing Application each Trading Day;

“Short (party)” means the seller or “Writer” of a Derivatives Contract. The Short party maybe assigned an Option or Deliver on Expiration of a Future Contract;

“Standard” means a type of Derivatives Contract in which parameters adhere to the Contract Specifications. Standardised Series are available for trading on the Orderbook;

“Standardised Combination” means a trading strategy defined by Turquoise on any product traded on Turquoise Derivatives;

“Standard Exercise” means the procedures governing the automatic Exercise of In-the-Money Options Contracts;

“Stock” means a type of security representing ownership in a corporation;

“Strike Price” means the price at which an Option Contract will be settled if Exercised. The right to buy or sell at the Strike Price is secured by the payment of a Premium on the Trade Day;

“Tailor-made” contracts are non Orderbook Derivatives Contracts in which certain parameters have been altered with respect to Standardised contracts, also known as non Standardised;

“Tick size” means the smallest increment by which the quoted price can be changed;

“Tick value” means the monetary value attributable to a single tick;

“Top Order” means an Order that executes at best available price against any single contra order. Residual is converted to a Limit Order at price just traded;

“Trade Day” means the date on which the Contract is Registered;

“Trade Reporting” means the act of informing (via electronic communication or the Trading system) Turquoise of a Bilaterally negotiated trade so that it can be considered for Registration;

“Trading Day” means a day other than a Saturday or a Sunday or other holiday on which banks in the Underlying market of a specific Derivatives Contract are generally open for business as published in Turquoise trading calendar on its website at www.tradeturquoise.com;

“Trading Hours” means the time during which Derivative Contracts are available for trading as further detailed in the relevant Contract Specifications;

“Transaction” means an agreement for the sale or purchase of a Listed Product between Members of Turquoise or between a Member of Turquoise and a Member of Oslo Børs concluded by means of the facilities provided by Turquoise for the trading of such Instruments in accordance with these Rules;

“Turquoise Derivatives Trading Services Description” means the document describing trading functionality as published on Turquoise website, as amended from time to time;

“Turquoise Management” means the management of Turquoise Global Holdings Limited;

“Turquoise Derivatives Tariff Schedule” means the document outlining applicable fees as published on Turquoise website; as amended from time to time;

“Underlying” means the Index, commodity, share or any other financial instrument on which a Derivative Contract is based. . Also refers to a Stock on which a DR is issued by a Depository Bank;

"VPS" means Verdipapirsentralen, the Norwegian Registry of Securities;

"VWAP" means Volume Weighted Average Price;

"Withholding Tax" means the tax deductible on a Dividend;

"Writer" in relation to an Options Contract, means the Member whose Contract is liable to be Exercised in accordance with its terms; see "Short" party;

1.3 Membership Criteria

- 1.3.1 Members are required to satisfy the Membership criteria applied by Turquoise appropriate to the capacity in which they intend to act at Turquoise.
- 1.3.2 The Applicant must be an EEA regulated investment firm or credit institution (as defined under MiFID); or
- 1.3.3 The Applicant must show that it is fit and proper; and
- 1.3.4 Turquoise must be satisfied that the Applicant has or will have sufficiently completed conformance testing prior to conducting business on Turquoise; and
- 1.3.5 Turquoise must also be satisfied that the Applicant has adequate organisational arrangements and a sufficient level of trading ability and competence and other relevant systems and controls; and
- 1.3.6 The Applicant must be a Clearing Member of a Central Counterparty approved by Turquoise Management or have made satisfactory arrangements with an entity that is in order to guarantee the Clearing of any transactions executed on Turquoise.
- 1.3.7 In accordance with 1.3.6 a Member shall maintain the necessary Clearing arrangements, either directly or with a General Clearing Member acting on its behalf, and in particular is required:
- (i) to maintain one or more Accounts at a bank approved by the Designated Clearing House to ensure the timely settlement of all transactions;
 - (ii) to complete such documents as may be required by the Designated Clearing House, to facilitate the Delivery of Stock on Expiration or Exercise of Stock Future and Option Contracts in the forms prescribed by the Designated Clearing House;
 - (iii) to satisfy Turquoise that arrangements are in place for the provision by the Member or its General Clearing Member of Collateral as and when required in accordance with these Rules; and
 - (iv) to establish PPS arrangements in accordance with 1.10.1
 - (v) to be bound by the rules and procedures of the Designated Clearing House.



1.4 Relationship with Members

- 1.4.1 Turquoise is committed to providing trading services of the highest quality to its Members and to ensuring that the markets in Listed Products meet the standards set by the FCA.
- 1.4.2 To this end Turquoise aims to:
- (i) set Rules and standards for its Members which ensure the provision by it of a fair market in which listed products can be properly priced;
 - (ii) grant Membership only to suitably qualified bodies of good standing and operate appropriate internal procedures for the supervision of the activities of its Members and take enforcement action as necessary to ensure that the conduct of Members is of the required standard;
 - (iii) grant Membership only to firms that have sufficient resources and that are sufficiently able to monitor the continuing compliance with these requirements; and
 - (iv) monitor and assess trading on the platform, the activities of Members, the quality of its markets and to enforce compliance with these Rules by utilising its technology and other means.
- 1.4.3 Turquoise believes that the quality of its Members and their standard of conduct is of fundamental importance to its standing as an MTF and is firmly committed to the fair and proper enforcement of these Rules. Disciplinary procedures and the sanctions available to Turquoise against Members in respect of breaches of these Rules are set out below.
- 1.4.4 All Members shall comply fully with these Rules.
- 1.4.5 A Member shall inform Turquoise immediately of any failure by the Member to comply with the Rules.
- 1.4.6 The Member shall inform Turquoise immediately of any change in the Member's status as a Clearing Member or of any arrangements made by it with a General Clearing Member.
- 1.4.7 The Member shall provide Turquoise with details of all Authorised Persons when completing their Membership application including authorisation entitlements as indicated in the Membership agreement.
- 1.4.8 The Member shall inform Turquoise immediately of any amendments to the Authorised Persons schedule as defined in the Membership Application form. Turquoise requires from the Member on Company headed paper details of these amendments, including removals and additions of personnel and details of authorisation entitlements.

- 1.4.9 The Member shall inform Turquoise immediately of any change in the financial position of the Member which might cause it to fail to satisfy the financial criteria applicable to it or which otherwise might have an adverse effect on its ability to perform its obligations to Turquoise.
- 1.4.10 The Member shall inform Turquoise immediately of the occurrence of any event which affects its regulatory capacity required for its activities as a Member.
- 1.4.11 The Member shall report any dispute with any third party relating to a transaction in a Listed Product to Turquoise at the earliest opportunity.
- 1.4.12 The Member shall inform Turquoise in writing of any change in its name, principal place of business or principal shareholders, directors or officers and of any change in the list of persons authorised to effect transactions at Turquoise. Wherever possible, such notice shall be given prior to the occurrence of the event in question.
- 1.4.13 The Member shall allow Turquoise access to its premises and relevant records and shall co-operate fully in connection with any investigation which Turquoise considers needs to be undertaken into any aspect of the conduct of the Member arising from its activities as a Member of Turquoise or any suspected breach by such Member of these Rules. Turquoise will generally give the Member advance notice of its intended investigation.
- 1.4.14 Turquoise may use the services of the FCA or any other appropriate regulatory organisation in any investigation undertaken by it under these Rules.
- 1.4.15 Turquoise shall treat any information provided to it by a Member in accordance with these Rules as confidential but may pass any such information or any information which it obtains under an investigation under these Rules to the FCA, a Recognised Clearing House, any other body having responsibility for the regulation of financial services business in the United Kingdom, Oslo Børs or to any overseas body having responsibility for the regulation of financial services business in a jurisdiction connected with the Member involved in the investigation. Save where it is required to do so by operation of law or by virtue of an order of a court of competent jurisdiction or to comply with its obligations to provide information to any governmental or multinational organisation or agency, Turquoise shall not disclose any such information or any information coming into its possession as a result of such investigation to any other person without the express authorisation of the Member in question.
- 1.4.16 Turquoise may exclude a Member from trading Listed Products or suspend its right to submit trade reports pursuant to Tailor-made Contracts or place such other restrictions on the activities of the



Member as Turquoise considers necessary following any change in the circumstances of the Member of the type described in 1.3

- 1.4.17 Members are responsible for settling trades executed on Turquoise and are bound by the rules and procedures of the Designated Clearing House in the event of a settlement default.
- 1.4.18 Where a Designated Clearing House declares a Member to be a defaulter, Turquoise shall terminate the membership of that Member.



1.5 Transactions and Contracts

- 1.5.1 The terms of Listed Products are specified in the Contract Specification for the Product in question.
- 1.5.2 Where a Transaction is executed in accordance with these Rules or Turquoise accepts Trade Reporting request of a transaction relating to a Turquoise product, the Member or Members involved in such transaction shall enter into a Contract with the Designated Clearing House.
- 1.5.3 An application for Re-Registration of a Contract in a Product shall take effect from the time at which Turquoise confirms to the Designated Clearing House that such application has been accepted and the Designated Clearing House amends the particulars recorded in its Clearing system in accordance with such request for Re-Registration and registers the Contracts in the appropriate Accounts in accordance with its terms.
- 1.5.4 An incorrectly registered Contract may be cancelled or corrected provided that a valid Protest is made to Turquoise in accordance with the appropriate cancellation Rules. In the absence of any such Protest, an incorrectly registered Contract will remain in full force and effect and will bind the Registered Counterparties to such Contract.
- 1.5.5 Following Registration of a Contract in the Clearing system of the Designated Clearing House pursuant to the Clearing House Regulations, the Buyer and the Seller of the Contract have the rights and obligations to such Contract for the duration of the Contract.
- 1.5.6 Registration of Contracts in a Client Account is effected on a gross basis for Options only; all Future Contracts are held on a net basis. A Broker which operates a Client Account shall ensure that the positions registered in such Account accurately reflect the balance of the open interest for the Clients whose positions are registered on the Account at all times. To this end, a Broker which operates a Client Account shall inform Turquoise as soon as practicable following the Registration of a Contract in such Account as to whether the Contract in question represents an Opening Transaction or a Closing Transaction and of the effect that such Registration will have on the open interest on the Account (the “required information”). Such information may be given either in writing to the Clearing Department at Turquoise or by way of the electronic connection. Where the required information is provided to Turquoise before the relevant deadline prescribed below, any necessary adjustment to the information recorded in the Client Account required in accordance with the Broker’s instructions will be made by Turquoise. The relevant deadline for a notice given in writing is 10:00 on the Trading Day following the day on which the Contract was initially registered in

the Account and, for a notice given by the electronic connection, 12:00 on that day. If a Member fails to provide Turquoise with the required information before the relevant deadline, the Member shall be responsible for taking the necessary action to correct the balance on the Account in question by executing the relevant number and type of transactions required in the circumstances.

1.6 Corporate Actions

- 1.6.1 The treatment and handling of Corporate Action events is set out in the document titled Turquoise [Derivatives Corporate Actions Policy](#).
- 1.6.2 The Turquoise Derivatives Corporate Action Policy forms part of this Rulebook and shall have effect as if set out in full in the body of this Rulebook.
- 1.6.3 Adjustments of Future and Option Contracts are based on the principle of financial equivalence of the value of the Future and Option Contracts before and after the Corporate Action.
- 1.6.4 Adjustments might entail:
 - 1.6.4.1. An adjustment of the Exercise Price of an Option Contract or of the Daily Settlement Price of a Future Contract. The Contract Size may also be adjusted using the Adjustment coefficient method. As a result, the original Contract Size will be recalculated and will be communicated to the market in due time via a Market Notice.
 - 1.6.4.2. The replacement of the Underlying of Option or Future Contracts with another Underlying on the basis of a determined ratio (Replacement method);
 - 1.6.4.3. The calculation of Theoretical Fair Value (*TFV*) of Option or Future Contracts.
- 1.6.5 For Norwegian Products, Turquoise applies Oslo Børs Rules and their adjustments for the treatment of Corporate Actions as described at www.oslobors.no - A2 General rules for derivatives contracts
- 1.6.6 Turquoise members should familiarise themselves with the Turquoise policy document and for Norwegian derivatives with the Oslo Børs Rulebook.

1.7 Confidentiality

- 1.7.1 As between Members, trading in Products carried out by way of Turquoise's electronic trading system is conducted on an anonymous basis. Similarly, the identity of a Client for whom a Broker effects a Transaction is not disclosed to Members.
- 1.7.2 Turquoise presents the electronic Orderbook and information related to transactions executed by means of its facilities and accepted for Registration in accordance with these Rules to Members on an anonymous basis so that the identity of a party which has placed an Order or which is a party to a Registered Contract is not disclosed to other Members.
- 1.7.3 In normal circumstances, the identity of a Client for whom a Broker effects a transaction under the Rules of Turquoise is not known by Turquoise.
- 1.7.4 Where Turquoise considers it necessary to protect its interests or the quality of the market in any Product or in the circumstances specifically provided for in these Rules it may require the Member to provide information relating to the Client in question.



1.8 Disciplinary Procedures

- 1.8.1 Turquoise Management may take disciplinary action against a Member in respect of any act or omission that may amount to a breach of these Rules.
- 1.8.2 Turquoise Management may suspend or restrict a Member's activities on Turquoise on an interim basis when a matter is under investigation.
- 1.8.3 Members shall co-operate with Turquoise Management in its investigation into a suspected breach of these Rules.
- 1.8.4 In enforcing these Rules, Turquoise Management will have regard to the need to maintain a fair and orderly market in the interests of Members.
- 1.8.5 Turquoise Management will have absolute discretion to impose sanctions on a Member for a breach of the Rules including:
- (i) temporary suspension;
 - (ii) termination of participation;
 - (iii) levying a fine up to £20 000;
 - (iv) issuing a cease and desist letter;
 - (v) issuing a censure;
 - (vi) issuing a no action letter;
 - (vii) an order directing restitution to any injured person; and
 - (viii) publication of the details of the breach and the identity of the Member.
- 1.8.6 Turquoise Management may impose a combination of the sanctions listed in Rule 1.8.5 on a Member for a breach of the Rules.
- 1.8.7 The discretion of Turquoise Management to impose sanctions will extend to negotiating a settlement with a Member regarding an alleged breach of these Rules, the terms of which may include imposing a sanction, or combination of sanctions, listed in 1.8.5

1.9 Appeals

- 1.9.1 A Member may appeal a decision made by Turquoise Management under these Rules within ten (10) working days of having received written notice of the decision.
- 1.9.2 There is no right of appeal in relation to interim decisions.
- 1.9.3 A notice of intention to appeal must be submitted in writing to Turquoise Management within ten (10) working days of the Member being notified in writing of the findings of any investigation of an alleged breach of the Rules. Turquoise Management will then refer any such appeal to the Appeals Committee.
- 1.9.4 A Member will, within twenty (20) working days of giving notification of any appeal under 1.9.1 provide the Appeals Committee with a written submission outlining the grounds for the appeal.
- 1.9.5 The Appeals Committee will consider requests for an extension to the timeframe allowed under 1.9.3. Appeals will be heard and decided by the Appeals Committee.
- 1.9.6 The Appeals Committee is comprised of a Chairman, appointed by the Board, and a minimum of two other Members, appointed by the Board, who are all independent of the Board and who are suitably qualified to hold the position of Members of the Appeals Committee.
- 1.9.7 The Appeals Committee will hand down a decision within twenty (20) working days of hearing the appeal.
- 1.9.8 The Appeals Committee may order any party to an appeal to pay costs as it thinks appropriate, including, but not limited to, administration costs and reasonable costs incurred in the investigation, preparation and presentation of the appeal.
- 1.9.9 The Appeals Committee can uphold, quash or amend the original decision that is the subject of the appeal.
- 1.9.10 Decisions of the Appeals Committee in relation to appeals will be final.



1.10 Administrative Matters

- 1.10.1 The Designated Clearing House has established a Protected Payments System (“PPS”) for use in connection with the settlement of payment obligations of Members to Turquoise. Members, other than Members who have made arrangements for the settlement of such obligations to be performed by a General Clearing Member, must maintain arrangements with a PPS Bank for such purposes. Further provisions concerning the PPS System and Settlement and Delivery generally are set out in the [Designated Clearing House Regulations](#).

1.11 Technical Regulations

- 1.11.1 Members which wish to maintain an electronic trading connection to Turquoise shall enter into the relevant access, connectivity and software licence agreements as amended from time to time (collectively referred to in this 1.11 to “Agreements”) enabling access to Turquoise and shall comply with this Rule. Breach of any provision of these Agreements shall constitute a breach of these Rules. Members shall contact Turquoise for a list of all market access connectivity providers and for all relevant information on these solutions. Fees in respect of Market access are payable by Members in the amount and at the time specified in the [Turquoise Derivatives Connectivity Charges document](#) found on the Turquoise website.
- 1.11.2 Equipment and computer programs which are required for the purposes of the electronic connection to Turquoise's trading and Clearing systems are specified in the technical documentation. Turquoise reserves the right to prohibit the connection of equipment or the use of programs which have not been specified by Turquoise and to carry out such tests of the said equipment or programs at the expense of the Member as Turquoise considers necessary.
- The costs of equipment supplied by third parties and the installation and maintenance thereof shall be paid by the Member.
- Turquoise reserves the right to set requirements as well as demand information regarding such computer program's construction and functionality from Members or computer program suppliers. Turquoise reserves the right to conduct tests of the computer program based on the requirements stipulated by Turquoise from time to time and information that has been obtained (certification). Additional certification can, when deemed necessary by Turquoise, be requested by Turquoise.
- 1.11.3 Where a Member installs software supplied by the relevant providers, it shall ensure that such software is the latest version in force together with system program software in the latest version specified by the relevant providers.
- 1.11.4 The Member shall ensure that technical contact persons and system contact persons are present at its premises throughout the period starting one hour before trading commences at Turquoise and ending one hour after the close of trading on any Trading Day.
- 1.11.5 Turquoise may take immediate action to impose restrictions on the use of such connection to suspend or to terminate a Member's electronic connection if it is satisfied that the manner in which such connection has been used by the Member justifies such action in the interests of protecting the proper functioning of Turquoise's trading and Clearing operations.

- 1.11.6 Turquoise may inspect the electronic equipment used by a Member for the purposes of its trading, Clearing and Market Data connection to Turquoise at all times during normal business hours.
- 1.11.7 The Member shall comply with all security instructions given by Turquoise and the relevant providers in relation to the use of the Member's electronic trading connection. The Member shall take such other steps as are reasonably required to prevent unauthorised access to Turquoise's trading, Clearing and Market Data systems. The Member shall allow Turquoise access to its premises for such purposes. Save in exceptional circumstances, Turquoise shall give the Member prior notice of its intended inspection.
- 1.11.8 The Member shall be liable for all instructions regarding the placing, variation or cancellation of orders given by way of the Member's electronic connection and for all transactions executed in consequence thereof. All matters reported to Turquoise by means of such electronic connection shall be bound by the terms of any Registered Contract entered into by the Designated Clearing House with such Member pursuant thereto whether or not such instructions or reports are submitted by a person authorised to use the electronic connection of the Member.

1.12 Copyright and Intellectual Property

- 1.12.1 Copyright and all other intellectual property rights in these Rules and all other documentation or software produced by Turquoise relating to the trading of Products and Market Information disseminated to Members under these Rules is vested in Turquoise.

“Turquoise” is a trade mark vested in Turquoise.

The Member shall not reproduce, use or sanction the reproduction or use of any such material or any part thereof other than for purposes necessarily connected with such operations without the prior express consent in writing of Turquoise.

- 1.12.2 “FTSE®”, “FTSE Russia IOB Index” and “FTSE 100 Index”, (“Index”) are trade and service marks of the London Stock Exchange Plc and the Financial Times Limited and are used by FTSE International Limited (“FTSE”) under licence. Neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Russia IOB Index and FTSE 100 Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading any contract linked to the FTSE Russia IOB Index and FTSE 100 Index.

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- 1.12.3 The OBX Index is a trade and service marks of Oslo Børs and is used by Turquoise.

Members shall not use the said trade and service mark other than for purposes reasonably connected with trading and Clearing of Products or other products or services provided by Turquoise in the absence of express written consent to the contrary by Turquoise.

1.13 Limits of Liability

- 1.13.1 Turquoise shall not be liable to any Member, Client, or other party for any loss or damage which may result directly or indirectly from any legislative enactment in the United Kingdom or in any overseas jurisdiction, any action taken by any governmental department or cognate agency in the United Kingdom or in any overseas jurisdiction, any action taken by the Commission of the European Community or any agency or division thereof, from any act of war, terrorist activity, power failure, fire, water damage, embargo, strike, blockade, boycott or lockout or other similar action or circumstance irrespective of whether Turquoise is involved directly therein.
- 1.13.2 Turquoise shall not be liable to any Member, Client, or other party for any loss or damage which may result directly or indirectly from any technical problem affecting or interfering with the provision by Turquoise of its electronic trading system or Clearing and information systems or affecting the Member's electronic trading connection or Clearing connection to Turquoise in the absence of gross negligence on the part of Turquoise.
- 1.13.3 Turquoise shall not be liable to any Member, Client, or other party in any circumstances for any claim for economic loss, loss of profit or loss of opportunity for profit, loss of data, or for indirect, incidental or consequential loss or damage.
- 1.13.4 If any of the circumstances described in 1.13.1 occurs which prevents Turquoise from performing any obligation under these Rules at the prescribed time in whole or in part, the time for performance of such obligation shall be suspended for as long as the said circumstances obtain. In these circumstances, Turquoise shall not be liable to pay interest on any sum which is paid at a later time than would otherwise have been the case.
- 1.13.5 In the absence of fraud and/or wilful misconduct, Turquoise shall not be liable to compensate the Member, Client, or any other party for any loss or damage arising other than in circumstances in which liability is expressly admitted in this Rule.
- 1.13.6 Without prejudice to the generality of the foregoing provisions of this Rule the liability of Turquoise to recipients of Market Information is further limited in the manner provided for in the [Turquoise Information License Agreement](#).

1.14 Emergency Provisions

1.14.1 Where Turquoise considers that circumstances exist which have an adverse effect on the trading services provided by Turquoise or the related Clearing services provided by the Designated Clearing House or which affect the quality of the market in any Product, Turquoise may take such action as it at its sole discretion deems necessary.

The forms of action which Turquoise may take under this Rule include, but shall not be limited to, the following:

- (i) suspending or restricting the trading services of Turquoise or any part thereof;
- (ii) suspending or restricting trading in one or more Products;
- (iii) amending these Rules including the terms of any Product; or
- (iv) suspend or restrict the reporting of transactions in one or more instruments pursuant to PART 1 of these Rules;
- (v) requesting the Designated Clearing House to take any action in relation to its Clearing services as is required in the circumstances, including, without limitation, amending the terms of Registered Contracts.

1.14.2 Where the Designated Clearing House suspends the provision of its Clearing services to Turquoise, Turquoise may:

- (i) suspend or restrict the trading services of Turquoise or any part thereof;
- (ii) suspend or restrict trading in one or more Products;
- (iii) amend these Rules including the terms of any Product; or
- (iv) take such other action as is considered appropriate in the circumstances.

1.14.3 Any Order placed on the Orderbook after trading in the Product or any Order which breaches any restriction on trading which has been suspended under this Rule shall be null and void.

1.14.4 In taking action under this Rule, Turquoise will have regard to the interests of Members generally in the circumstances and will act in an impartial manner.

Where Turquoise has taken any action pursuant to this Rule, it shall notify Members of such fact at the earliest opportunity. Members shall inform any Client which might be affected by such action of the measures taken by Turquoise.



1.15 Amendments to these Rules

- 1.15.1 Turquoise may amend these Rules by notice in writing via email to Members. The amendment to the Rules shall take effect at the time specified in such notice. Such amendments shall in the absence of an express statement to the contrary apply to Contracts registered before the amendment in question comes into effect.
- 1.15.2 Where Turquoise considers that the amendment to the Rules is of regulatory importance or will affect the terms of previously Registered Contracts, it shall use its best endeavours to consult with Members before making the amendment. Turquoise shall not be subject to any obligation to consult with Members in relation to any proposed amendment where it is satisfied that the amendment is required as a result of legislation, the decision of a court or any action taken or regulation issued by a regulatory body or governmental body which affects Turquoise.
- 1.15.3 Brokers shall take reasonable steps to advise their Clients of amendments to these Rules as they consider appropriate and shall have regard to any guidance issued by Turquoise in this respect.

1.16 Governing Law

- 1.16.1 Except where these Rules provide expressly to the contrary, the Rules shall be construed and applied in accordance with English law.
- 1.16.2 Except where these Rules provide expressly to the contrary, any dispute between a Member and Turquoise concerning these Rules or any transaction effected pursuant to these Rules shall be resolved in the manner provided for in the Rules or the Member Agreement.

PART 2 DISSEMINATION OF MARKET INFORMATION**2.1 General**

2.1.1 Turquoise disseminates public market information originating from the services provided by Turquoise pursuant to these Rules or from third parties in accordance with the provisions set forth in this Rule.

2.1.2 Turquoise publicly disseminates information for each Listed Product during the Trading Hours for such Product, except expressed to the contrary.

2.1.3 Turquoise may at any time make such changes in the contents, scope and composition of the market information which it deems suitable or necessary.

2.2 Media

2.2.1 Market information is disseminated in electronic form near real-time.

2.2.2 Turquoise disseminates public market information through the following media:

- (i) Immediately by electronic connection to Turquoise's High Speed Vendor Feed (HSVF);
- (ii) Immediately or following a certain delay through public information distribution systems (electronic or non-electronic media) of third party vendors, a list of which is available from Turquoise.

2.3 Subscription

2.3.1 Members or other third parties wishing to directly subscribe to HSVF must enter into the Information License Agreement and adhere to the relevant terms and conditions set forth within the agreement.

2.4 License

2.4.1 Members or other third parties wishing to receive and/or redistribute Market Data must first enter into the relevant Information License Agreement and adhere to the terms and conditions set out within the agreement.

Copyright and other intellectual property rights to market information which Turquoise disseminates shall vest in Turquoise or the rights holders Turquoise represents.





3.1 General

3.1.1 Members may effect transactions on the MTF in one of three capacities:

- (i) Broker;
- (ii) Market Maker; or
- (iii) Proprietary Trader.

3.1.2 Where a Member has the necessary regulatory authorisation, it may act in more than one of the above capacities.

3.1.3 Further provisions relating to the trading capacity of Brokers at Turquoise are set out at Rule 3.2

3.1.4 Further provisions relating to the trading capacity of Market Makers at Turquoise are set out at Rule 3.3

3.1.5 Further provisions relating to the trading capacity of Proprietary Traders are set out at Rule 3.4

3.2 Brokers

- 3.2.1 A Member which wishes to act as a Broker at Turquoise shall satisfy Turquoise that it has the regulatory authorisation to act in this capacity.
- 3.2.2 A Broker may enter into transactions at Turquoise either on a proprietary basis or on behalf of a Client.
- 3.2.3 Brokers shall ensure that transactions which they enter into at Turquoise are allocated to the correct Account in accordance with 3.5 and the Clearing House Regulations.
- 3.2.4 All transactions entered into by a Broker on a proprietary basis shall be registered in the Broker's Proprietary Account. Transactions entered into by a Broker on behalf of a Client shall not be registered in this Account.
- 3.2.5 Transactions entered into by a Broker on behalf of a Client shall be registered in one of the Accounts for the Registration of such transactions described in 3.5 and the Clearing House Regulations.

3.3 Market Makers

- 3.3.1 A Member which wishes to act as a Market Maker in one or more Listed Products shall satisfy Turquoise that it has the necessary regulatory authorisation and technical capability to act in such capacity.
- 3.3.2 A Member which satisfies Turquoise in these respects shall enter into the Market Maker Agreement with Turquoise and shall specify the Listed Products in which it intends to act as a Market Maker and the market making capacity in which it intends to act in respect of each such Product.
- 3.3.3 All transactions entered into by a Market Maker in the capacity of Market Maker shall be registered in a Market Maker Account only.

3.4 Proprietary Traders

- 3.4.1 A Member which wishes to act as a Proprietary Trader shall satisfy Turquoise that it has the necessary regulatory authorisation to act in this capacity.
- 3.4.2 A Proprietary Trader shall not effect transactions on behalf of Clients. All transactions entered into by a Proprietary Trader shall be registered in the Proprietary Trader's Proprietary Account only.

3.5 Accounts

- 3.5.1 In accordance with Rule 1.3.6 a Member shall only be entitled to participate in trading at Turquoise if it is either a Clearing Member, a General Clearing Member or is a Non-Clearing Member which has entered into a NCM-GCM Agreement with a General Clearing Member and the Designated Clearing House.
- 3.5.2 A Member (other than a Member which has arranged for transactions in Listed Products entered into by it to be cleared by a General Clearing Member) shall open one or more Clearing Accounts at the Designated Clearing House for the Registration of Transactions affected by the Member. A Member which intends to act as a Market Maker shall open one or more Accounts for Registration of Contracts entered into by it in the capacity of Market Maker specified for such purposes in the Clearing House Regulations.
- A Member which intends to enter into transactions on its own Account shall open an Account (Proprietary Transactions) for Registration of Contracts entered into by it on such basis specified for such purposes in the Clearing House Regulations.
- A Member which intends to act as a Broker shall open one or more of the Accounts specified for such purposes in the Clearing House Regulations.
- 3.5.3 The types of Accounts available within Turquoise's Clearing System ("BCS") for use by Members are described in the table below which also provides details of the related Account at the Designated Clearing House to be used for Registration of positions recorded in the relevant Account. There is no limit to the number of Accounts that can be held by a Member.

Member Clearing type	Account Type	Account Name	LCH Designated Clearing Account	Description	Option Positions held net or gross basis
GCM/ICM	MM	Marker Maker Account	House	For Market Maker trades	Net
GCM/ICM	H	Proprietary Account	House	Proprietary trades only	Net
GCM/ICM	C	Client Account	Client	For Client business	Gross
NCM	MM	Marker Maker Account	House/Client	For Market Maker trades	Net
NCM	H	Proprietary Account	House/Client	Proprietary trades only	Net
NCM	C	Client Account	House/Client	For Client business	Gross

PART 4 GENERAL RULES FOR LISTING AND TRADING OF ALL PRODUCTS**4.1 Trading Principles**

- 4.1.1 Members shall co-operate fully with Turquoise in the promotion of high standards of fair dealing and integrity.
- 4.1.2 Members shall comply fully with these Rules and with any guidance which Turquoise may issue from time to time concerning the application of these Rules at Turquoise generally.
- 4.1.3 Standardised Listed Products are traded through the electronic trading system, including Cross and Committed trades.
- 4.1.4 Any Member who wishes to report a Cross or Committed trade can also do so through Market Operations using a [pre-defined template](#) available on Turquoise website www.tradeturquoise.com. Members should note that transactions in Tailor-made Contracts may only be effected by way of the Market Operations in accordance with the provisions of 4.10.1 4.9.5 Members should follow procedures relating to placing, varying or cancelling Orders relating to Standardised Products, which are set out in Part 4.7 to Part 4.9.
- 4.1.5 As between Members, trading at Turquoise is conducted on an anonymous basis. The identity of a Member which has placed an Order or executed a transaction at Turquoise is not disclosed to other Members save in circumstances where such disclosure is specifically provided for in these Rules.

4.2 Platform Listing

- 4.2.1 Turquoise provides trading facilities to its Members for trading in Standardised Contracts.
- 4.2.2 The Contract Specifications for Turquoise Contracts are set out within this Rulebook applicable to the product in question.
- 4.2.3 All Rules and procedures relating specifically to trading, clearing and settlement of Contracts based on such Products are set out in the section of PART 4 and PART 5.
- 4.2.4 Turquoise's procedures for the listing of Series for trading in a Standardised Contract vary according to the Product. These procedures are set out in Part 4.3.
- 4.2.5 Turquoise may list new Series On Request. These procedures are set out in Part 4.4 'Listing of New Series On Request'.
- 4.2.6 Turquoise may decide at any time to cease to list one or more Series if it is satisfied that the requirements of a proper market in such Product are no longer satisfied or any other circumstances exist which it considers require such action. In such circumstances, Turquoise may also change the Expiration Day for the Series in question in conjunction with the Designated Clearing House.
- 4.2.7 Information regarding the Series which are currently listed for trading are shown in BCS and disseminated in the Turquoise Market Data.

4.3 Listing of New Series

- 4.3.1 Turquoise reserves the right to adjust the Listing Day for any existing product where such adjustment is deemed necessary in the interest of the market. Members shall be informed in advance via a Market Notice of any intended adjustment.
- 4.3.2 Turquoise will publish the Contract Specification for any new Product prior to the start of trading or acceptance of trade reports.
- 4.3.3 The Listing Day for each Product is found in the relevant Contract Specification for that product.
- 4.3.4 For newly Listed Option Contracts, Turquoise shall list Call Options and Put Options in accordance with the '[Turquoise Derivatives - Strike Price Generation](#)' document' published on the Turquoise Website.



4.4 Listing of New Series 'On Request'

4.4.1 The Expiration Day for all Products on Futures and Options Contracts shall be the day designated as such by Turquoise in the Expiration Month indicated in the Series Designation.

4.4.2 Turquoise reserves the right to adjust the Listing Day in respect of any given Series where such adjustment is deemed necessary in the interest of the market. Members shall be informed in advance via a Market Notice of any intended adjustment.

4.4.3 Members may request by phone or electronic communication to Market Operations for a specific Standardised Future or Option Series to be listed on the Orderbook if it is not automatically generated in accordance with the parameters described in the relevant Contract Specifications and the [Strike Price Generation document](#). This is known as an 'On Request' listing.

Members shall provide the following information:

- (i) the Underlying;
- (ii) whether Future or Option (Call or Put) Contract;
- (iii) Option Type (where applicable);
- (iv) the Expiration Month (Expiration Day will always be standardised as per the relevant Contract Specification);
- (v) the Strike Price (for Options Series only and must be within the strike price generation table for the specific Underlying as specified in the [Strike Price Generation document](#) available on www.tradeturquoise.com .

4.4.4 Where Turquoise is satisfied that it is appropriate in the interests of the market to list for trading the specified Series, and accepts the request it shall arrange for such Series to be listed for trading as soon as reasonably practicable. Where the relevant request is received by Turquoise during the Trading Hours for the relevant Contract, the new Series will normally be available for trading on such day.

Turquoise shall inform the Member which submitted the request of its decision forthwith.

4.5 Designation of Series

4.5.1 On listing a new Series for a Standardised Contract, Turquoise will designate an identifier for that Series. Each Series is identified by a string of 4-9 characters (excluding options strike):

- (i) A maximum of six characters designates the Underlying;
- (ii) One character designates the Expiration Year;
- (iii) One character designates the Expiration Month;
- (iv) For Options the following numeric characters designate the Strike Price;
- (v) An additional symbol may also be added to indicate that a Corporate Action; has occurred and the readjustment rules have been applied to that Series;

On listing a new Series for a Tailor-made (Non Standardised) Contract based on a Listed Product, Turquoise will designate the Series. Each Series is identified by a string of 6-12 characters (excluding options strike):

- (i) A maximum of six characters designates the Underlying;
- (ii) One character designates the Expiration Year;
- (iii) Two character designates the Expiration Day;
- (iv) One character designates the Expiration Month;
- (v) For Options the following numeric characters designate the Strike Price;
- (vi) For Options “A” or “E” designates whether the Option is American or European Style;
- (vii) An additional symbol may also be added to indicate that a Corporate Action; has occurred and the readjustment Rules have been applied to that Series;



4.5.2

The Expiration Month for Derivative Contracts shall be designated as follows;

Months	Futures Contracts (Norwegian and IOB)	Futures Contracts (All other products)	Options Contracts	
			Call Options	Put Options
January	A	F	A	M
February	B	G	B	N
March	C	H	C	O
April	D	J	D	P
May	E	K	E	Q
June	F	M	F	R
July	G	N	G	S
August	H	Q	H	T
September	I	U	I	U
October	J	V	J	V
November	K	X	K	W
December	L	Z	L	X



4.6 Market Making: General

- 4.6.1 All Market Makers are required to maintain an electronic connection to Turquoise and to provide quotes in the Products that are available for market making and in which they have agreed to act as such by such means.
- 4.6.2 A Market Maker shall enter into a Market Maker Agreement with Turquoise specifying the Products in which it agrees to act as such and the capacity in which it will act in respect of each Product.
- 4.6.3 All details covering Market Making activity are outlined in this Rule and the [Market Making Document](#) published on the [Turquoise Website](#).
- 4.6.4 A Market Maker may act in such capacity as is specified in in the Market Making Document applicable to the Product in question.
- 4.6.5 A Market Maker which fails to perform its obligations as such will be subject to the sanctions under Rule 1.8 and those provided for in the Market Making Document applicable to the Product in question.
- 4.6.6 A Market Maker which performs its obligations as such to the satisfaction of Turquoise shall pay fees in relation to transactions effected by it in its Market Marking capacity as specified more particularly in the Market Making Document.

4.7 Orders

- 4.7.1 On placing an Order a Member offers to buy or to sell the Products in the Series in accordance with the terms specified in the Order. Such Order shall contain the number of Contracts; this number may be any whole number in excess of one. This Order is construed as an offer and remains open for acceptance unless and until the Order is varied or cancelled by the Member.
- 4.7.2 Orders placed by a Member in accordance with 4.7.1 may be accepted by Members or Members of Oslo Børs in the case of Products which are traded on a linked Orderbook. Where an offer is accepted in this way, Turquoise shall register the resulting Contract in the Account of the Member or Members which are parties to the transaction.

4.8 Placing, Cancellation and Variation of an Order

- 4.8.1 On placing, cancelling or varying an Order by way of the electronic trading system, a Member shall provide the following information:
- (i) the Series, Type/ Style, Class and the Listed Product in question;
 - (ii) the Expiration Month;
 - (iii) whether its Order is to buy or to sell;
 - (iv) in the case of an Options Contract, whether it is a Call or a Put;
 - (v) the price for the Order;
 - (vi) the Order's volume;
 - (vii) whether it is a Limit Order, Market Order or a Combination Order;
 - (viii) the Account to which the transaction, if executed, is to be allocated;
 - (ix) if appropriate, the identification code of the Client for whom the Order has been placed.

On placing an Order into the Orderbook Members should ensure that the value of the Order does not exceed the maximum permitted size for the Contract in question, Members should note that any Order placed on the Orderbook which exceeds the applicable maximum permitted size shall be rejected. Members will receive a message stating this. Price and Quantity restrictions are detailed in the [Turquoise Derivatives Trading Services Description](#) on the Turquoise website.

- 4.8.2 The Tick size applicable for trading on the Orderbook is described in the relevant Contract Specification. A Committed or Cross Trade can however be registered on the Orderbook at a Tick size that differs from the one specified in Contract Specifications.

- 4.8.3 The primary Rule for ranking of Orders stored on the Orderbook is that priority is given to the Order having the best price.

Where two or more Orders are entered at the same price, priority is given to the Order which has been stored on the Orderbook longest period of time.

- 4.8.4 Any variation in an Order involving its price, the extension of its period of validity, or an increase in the volume of an Order is treated as the cancellation of the original Order and the submission of a new Order. The time priority of such Order shall be determined by reference to the time at which the amended Order is entered on to the Orderbook.

- 4.8.5 Where the variation of an Order involves only a reduction in its volume or period of validity or a variation in the Client identity, the ranking of the original Order is not affected.
- 4.8.6 Where volume terms attached to an Order having priority under this 4.8 prevent it being executed, the first available Order below such Order in the order of priority which can be matched will be selected for execution.
- 4.8.7 Where a Combination Order can be executed against another Combination Order a Transaction will be executed on the terms of the matching Combination Orders provided that it is not possible to execute the Combination Order against Orders on the Orderbook on better terms than those provided by the matching Combination Order.
- 4.8.8 An Order will remain valid and effective unless and until an instruction to cancel or vary in accordance with 4.8 is given by the Member which placed the Order.
- 4.8.9 A Member may contact Market Operations to cancel an Order originated from the electronic trading system.
- 4.8.10 Such request must be from an Authorised Person according to Rule 1.4.7

4.9 Order Types

4.9.1 Orders of the following type may be placed by Members:

- (i) By Price type: (Limit Order, Market Order, Top Order, Stop (loss) order, if touched order);
- (ii) By Quantity type: (Minimum quantity order, Iceberg Order)
- (iii) By Duration type: (Day order, Good Till Day (GTD), Good Till Cancelled (GTC), Immediate order (FAK/IOC), While connected order)

These Order types are described in the [Turquoise Derivatives Trading Services Description](#).

4.9.2 A Market Order is an Order which is for immediate acceptance only. A Market Order may not be stored on the Orderbook. There are two types of Market Order:

- (i) "Fill or Kill" being an Order which must be traded in its entirety or cancelled; and
- (ii) "Fill and Kill" being an Order which can be executed in part with the unfilled part of the Order being cancelled.

4.9.3 A Combination Order is an Order comprising two or more individual Orders in Series which are subject to the condition that each individual order forming part of the Combination Order must be executed simultaneously.

4.9.4 A Standardised Combination is an Order which meets the following requirements:

- (i) it comprises two individual Orders;
- (ii) these Orders are both subject to the condition that they be executed simultaneously;

4.9.5 A Standardised Combination may be placed as either as a Limit Order or a Market Order. The Limit Order will be stored on the Orderbook until the time specified by the Member. A Limit Order is subject to the condition that both Orders comprised in the Combination Order must be executed simultaneously. The Market Order will not be stored on the Orderbook.

4.10 Trade Reporting

4.10.1 The provisions of this Rule provide for the Trade Reporting and Registration of Bilaterally negotiated trades to Turquoise in Listed Series and Tailor-made Future or Option Contracts.

- 4.10.2 Turquoise does not provide facilities for the Trade Reporting of Tailor-made contracts. Transactions are bilaterally negotiated and reported to Turquoise for Registration.
- 4.10.3 Transactions in Tailor-made contracts are reported to Turquoise through templates provided by Turquoise and available on www.turquoise.com.
- 4.10.4 Trades reported to Turquoise should be reported to Turquoise in a timely manner but, in any event, no later than one hour after the time of the trade in a Tailor-made contract.
- For Listed Series, trades can be reported through electronic connection to the trading system as a Cross or Committed transactions provided that the trade complies with the minimum block size. Details are available within the [Trading Service Description, Appendix B](#). For hidden series Contracts, these transactions and Open Interest are not published.
- 4.10.5 Alternatively, trades can be reported through templates provided by Turquoise and available on www.turquoise.com, although the same controls apply if trades are reported in this manner.
- 4.10.6 Where trade reports are received by Turquoise either through electronic connection or through the template they must comply with the respective transaction type controls on Listed Series. On Tailor-made series transactions are subject to a reasonable fair value price validation. Following validation by Turquoise, the relevant particulars are communicated to the Designated Clearing House which then determines that the Registered Contracts are acceptable on the terms specified within the trade report with the Member or Members in question.
- 4.10.7 All Trade Reports can only be accepted on valid Business Days for the specific market as determined by Turquoise. Details are available on Turquoise website www.tradeturquoise.com under Trading Calendar.
- 4.10.8 Where the Designated Clearing House is informed by Turquoise that a Trade Report has been received and accepted before the relevant deadline and agrees to enter into a Registered Contract pursuant to such Trade Report, the Contract in question shall be registered by the Designated Clearing House on that day. Where a report relating to the acceptance by Turquoise of the Trade Report is received by the Designated Clearing House after such time, the Contract in question shall be considered for Registration by the Designated Clearing House on the next Business Day for the market in question
- 4.10.9 All such Registered Contracts will be entered into by the Designated Clearing House as Central Counterparty in accordance with and subject to its Regulations.

- 4.10.10 There are four variable elements of Tailor-made Option Contract, namely its Expiration Day, its Style, its Premium and its Strike Price. The only variable elements for a Tailor-made Future Contract are Expiration Day and Future Price. The maximum term of a Tailor-made Contract is up to five years for Stock or Depositary Receipts and a lesser term of two years for Index Products. Turquoise may specify a different term from time to time in relation to a particular Tailor-made Contract.
- 4.10.11 If for any reason the registered Expiration Day for a Tailor-made Contract proves not to be a Trading Day for the relevant Contract, Turquoise shall have the power to modify the Expiration Day by bringing it forward to the Trading Day for the Contract in question immediately preceding the Reported date.
- 4.10.12 The Member should provide details of the transaction and must meet the criteria for acceptance. The required details will include:
- (i) the type of and class of a Listed or Non-Standardised Contract;
 - (ii) the term of the Non-Standardised Contract;
 - (iii) the Strike Price;
 - (iv) the style;
 - (v) whether it wishes to buy or to sell;
 - (vi) the name of the Counterparty
- 4.10.13 The acceptance of such Request will be at the discretion of Turquoise. The Request will not, however, be accepted unless a corresponding Trade Report is confirmed by each Counterparty to Turquoise and that such request is accepted for Registration.
- 4.10.14 A Trade Report of a Bilaterally negotiated trade in accordance with this Rule must be submitted to Turquoise Market Operations by electronic communication using predefined templates. Turquoise will inform each Member submitting such Request promptly as to whether it has been accepted for Registration or not.
- 4.10.15 The procedures do not apply for a Cross Trade. Any Member which wishes to register a Cross Trade relating to a Listed Contract can do so through their electronic trading connection or through the pre-defined template. For Tailor-made Contracts, Members shall provide Market Operations with such information using only the pre-defined template. The Member shall also specify the Accounts in which each side of the Contract is to be registered.
- 4.10.16 A Member which seeks to execute a Contract on behalf of a Client shall satisfy itself that that type of transaction is suitable for that Client. To this end, the Member in question shall draw the attention to the characteristics of the market in Tailor-made Contracts and

shall in this respect have regard to any guidance issued by Turquoise on the subject.

- 4.10.17 The acceptance of any transaction reported to Turquoise for Registration shall be at the discretion of Turquoise and the Designated Clearing House. Transactions accepted for Registration in accordance with this Rule will be confirmed by Market Operations to the parties forthwith.
- 4.10.18 Normal Trade Reporting hours are 07:30 - 17:30 London time.
- 4.10.19 On certain days designated by Turquoise as half trading days, the Trade Reporting hours shall be adjusted to 07:30 - 13:00 London time.

4.11 Cancellation of Incorrect Transactions

- 4.11.1 Below cancellation rules refer to all products with the exception of those with their own cancellation rules.
- 4.11.2 Turquoise reserves the right to forcibly cancel any trade without the permission of either Counterparty. Circumstances under which this can occur may include, but are not limited to:
- (i) An error (technical or operational) on the part of Turquoise or its systems;
 - (ii) Material breach of any law, any Rule of Turquoise or any Rule of an affiliate company of Turquoise (such as the Designated Clearing House);
 - (iii) Turquoise judges that cancellation of the trade would be in the interests of the market;
 - (iv) For Dividend Derivatives, where a transaction occurs on the basis of material or erroneous info.
- 4.11.3 Rules in this Part 4.11 apply to the situation where a Member has contacted Turquoise Market Operations to request cancellation of a transaction to which they are a Counterparty due to an error on their part.
- 4.11.4 Turquoise will only accept cancellation requests from an Authorised Person at the Member as documented by the Member in their Membership application with Turquoise.
- 4.11.5 Any cancellation received by Turquoise from a Member must be from an Authorised Person at the Member with the appropriate entitlement.
- 4.11.6 No trade will usually be considered for cancellation if the request to cancel is received more than thirty minutes after the trade has executed.
- 4.11.7 No trades in any Future Contracts are considered for cancellation unless they have triggered a system level Circuit Breaker. Details of such Circuit Breakers for each market can be found in the [Turquoise Derivatives- Trading Service Description](#) on the [Turquoise Website](#). In the event that an executed trade has triggered a Circuit Breaker, only the portion of the trade that executed beyond the Circuit Breaker threshold will be considered for cancellation.
- 4.11.8 No Bilaterally negotiated trades of any type, in any instrument will be considered for cancellation. This is because both Counterparties must have independently confirmed the exact same details for the trade to have been accepted by Turquoise. Where both Counterparties wish to make adjustments to a Bilaterally negotiated trade that has already been Registered, the Rules for Re-Registration apply.

- 4.11.9 If none of the above stipulations have been violated, a trade may be considered by Turquoise for cancellation.
- 4.11.10 On receiving a request from a Member to cancel a trade, Turquoise will contact the other Counterparty and request that the trade be cancelled. Should the Counterparty agree the trade will be cancelled.
- 4.11.11 If the Counterparty does not agree to cancel, Turquoise will:
- 4.11.12 Calculate a theoretical Option Premium for the time of the trade using a standard Black-Sholes Options pricing model with the following inputs:
- (i) the price of the Underlying on the Primary market at the time of the trade;
 - (ii) a volatility estimate taken from polling other non-affected market participants or, in the absence of such information, volatility data used by Turquoise's Clearing System to calculate the previous evening's End of Day Price;
 - (iii) The market interest rate used by the Turquoise Clearing System for the product in question.
- 4.11.13 Define a "Fair Market Spread". The Fair Market Spread will be 15% either side of the obligated spread for Market Makers according to the [Turquoise Derivatives - Market Making document](#) on the [Turquoise Website](#). If theoretical Option Premium is less than EUR 2.00, GBP 2.00 or USD 2.00 then EUR 0.30, GBP 0.30 or USD 0.30 either side of the obligated spread for Market Makers according to the [Turquoise Derivatives - Market Making document](#) on the [Turquoise Website](#). In the absence of an obligated spread, the Fair Market spread will be 30% either side of the theoretical Option Premium or for Premium less than EUR 2.00, GBP 2.00 or USD 2.00 then EUR 0.60, or GBP 0.60 or USD 0.60 either side of the theoretical Option Premium.
- 4.11.14 Turquoise will then adjust the trade to the upper or lower limit of the Fair Market Spread.
- 4.11.15 A Member that is perceived to be cancelling trades with higher than average regularity will be warned once by Turquoise. If the activity continues they may be suspended from the market.

4.12 Cancellation of Incorrect Transactions for IOB Derivatives

- 4.12.1 The provisions of Rule 4.12 concerning the cancellation of incorrect transactions shall be applied in relation to IOB DR Contracts, IOB Dividend Futures Contracts, Late IOB DR Dividend Futures Contracts and FTSE Russia Index Contracts in accordance with the following provisions of this Rule.
- 4.12.2 Turquoise will not direct that a transaction shall be cancelled in the absence of the agreement of the Counterparty to the transaction unless the period between the time at which the transaction is effected and the time at which the request is submitted is less than ten minutes.
- 4.12.3 The Fair Market Spread or Price Adjustment Range is defined as 10% deviation outside the relevant Prescribed Spread for Market Makers as described in [Turquoise Derivatives - Market Making Obligations and Tariff Schedule](#) or where no spread is available; Turquoise may after consulting with Members of Turquoise define the Fair Market Spread or Price Adjustment Range at its sole discretion.
- 4.12.4 Turquoise will notify the Member or Members involved in the transaction of its decision in the case of a request no later than 15 minutes before trading starts on the Trading Day following the day on which the transaction in question was effected.

4.13 Cancellation of Incorrect Transactions for Norwegian Stock Contracts

- 4.13.1 The provisions of 4.13 concerning the cancellation of incorrect transactions shall be applied in relation to Norwegian Stock Contracts in accordance with the following provisions of this Rule.
- 4.13.2 Turquoise will not direct that a Norwegian Stock transaction shall be cancelled in the absence of the agreement of the Counterparty to the transaction unless the period between the time at which the transaction is effected and the time at which the request is submitted is less than ten minutes and unless the loss suffered by the Member, as a consequence of the error in the execution of the transaction, is NOK 1000 or more.
- 4.13.3 Turquoise will notify the Member or Members involved in the transaction of its decision in the case of a request relating to Norwegian Stock transaction no later than 15 minutes before trading starts on the relevant Trading Day following the day on which the transaction in question was effected.

4.14 Cancellation of Incorrect Transactions for OBX Contracts

4.14.1 The provisions of 4.14 concerning the cancellation of incorrect transactions shall be applied in relation to OBX Contracts in accordance with the following provisions of this Rule.

4.14.2 Turquoise will not direct that an OBX transaction shall be cancelled in the absence of the agreement of the Counterparty to the transaction unless the period between the time at which the transaction is effected and the time at which the request is submitted is less than ten minutes and unless the loss suffered by the Member, as a consequence of the incorrect transaction not being cancelled, is NOK 1000 or more.

4.14.3 The Fair Market Spread for OBX Futures and Options Contracts is as follows:

Quoted Bid or Offer (Index Points)	Maximum Spread for Quotes (Index Points)	Maximum permitted deviation from Bid and Offer points of the Fair Market Spread
10 or less	2	1
10.01 - 20	3	1.5
20.01 - 30	4	2
more than 30	6	3

4.14.4 The Price Adjustment Range for OBX Contracts is as follows:

Quoted Bid or Offer (Index Points)	Prescribed Spread for Quotes (Index Points)	Maximum Permitted Deviation
10 or less	2	1
10.01 - 20	3	1.5
20.01 - 30	4	2
more than 30	6	3

4.14.5 Turquoise will notify the Member or Members involved in the transaction of its decision in the case of a request relating to an OBX Contract no later than 08:00 on the Trading Day following the day on which the transaction in question was effected.

4.15 Market Supervision

- 4.15.1 Turquoise supervises trading and price building in Standardised Products and the general activity of Members with a view to ensuring that trading at Turquoise is conducted properly.
- 4.15.2 For Trade reporting in Listed Series and Tailor-made contracts all transactions will be supervised, validated and subject to a reasonable price validation.
- 4.15.3 Where Turquoise believes that the activity of a Member requires investigation it may request the FCA or any other body which it considers appropriate to assist in any such investigation.
- 4.15.4 Members shall co-operate fully with Turquoise's Compliance Department or other body appointed pursuant to 1.8.3 any such investigation and shall take appropriate action in accordance with any direction issued by Turquoise following such investigation.

4.16 Position Limits

- 4.16.1 Turquoise may set Position Limits prescribing the maximum number of Registered Contracts in a Standardised Product which may be held by a Member or a Client at any time. Such Position Limits will be set by Turquoise in the interests of maintaining a proper market in the Product in question.
- 4.16.2 Position Limits may also be set by Turquoise following discussions with the Designated Clearing House where Turquoise and the Designated Clearing House are satisfied that such action is necessary in order to manage the risk represented by the Member in question.
- 4.16.3 Turquoise will notify Members in writing of the imposition of Position Limits in relation to any Product or of any variation in existing Position Limits.
- 4.16.4 A Member shall not enter into any transaction in a Product if such transaction would result in Position Limits applicable to the Product in question being breached by the Member or the Client for whom the Member is acting in relation to the transaction.
- 4.16.5 A Member shall take such action as Turquoise may direct in order to rectify any breach of a Position Limit by the Member. Where the Member fails to act in accordance with instructions given by Turquoise in accordance with this Rule, Turquoise may take such action as it considers necessary in the circumstances including, without limitation, excluding the Member from participation in trading at Turquoise and effecting in the name of and at the expense of the Member such transactions as Turquoise at its sole discretion considers are necessary to cure the breach of the relevant Position Limit.
- 4.16.6 Breach of a Position Limit shall be a disciplinary offence under the Rules of Turquoise. A Member which has breached a Position Limit imposed by Turquoise will be subject to disciplinary action in accordance with 1.8. Turquoise may investigate positions registered in Accounts held by a Member to establish whether the Member has registered positions in more than one Account in an attempt to circumvent Position Limits applicable to such Member.



4.17 Prohibition of Market Manipulation

- 4.17.1 A Member shall not act whether in isolation or in concert with one or more Members or with Members of other trading venues on which an Underlying Product is traded or with any other party in such a way as would tend to distort the market in any Product.
- 4.17.2 Without limiting the generality of this Rule, a Member shall not:
- (i) distribute any inaccurate or misleading information which might affect the price of any Product;
 - (ii) place any Order or report any transaction for Registration pursuant to these Rules with a view to distorting the market;
- 4.17.3 A Member which acts in breach of this Rule shall be subject to disciplinary action in accordance with 1.8. Members shall co-operate fully with Turquoise in investigating any conduct which allegedly contravenes this Rule.
- 4.17.4 For the avoidance of doubt, a Member shall not be considered to have acted in breach of this Rule if it can satisfy Turquoise that in placing an Order or executing a transaction in a Product it was acting for bona fide trading purposes relative to the Product in question.

4.18 Trading Hours

- 4.18.1 Orders may be placed and trades may be executed during the hours in which Turquoise is open for trading. Turquoise's normal Trading Hours for each Product is set out in the Contract Specification.
- 4.18.2 The normal Trading Hours may be varied by Turquoise in conjunction with public holidays or in exceptional circumstances. Turquoise will give notice in writing to Members of any variation in its normal Trading Hours.

4.19 Emergency Closure or Suspension of Trading

- 4.19.1 Where Turquoise is satisfied that circumstances have arisen which prejudice the quality of the market in Standardised Products or the proper and timely performance by the Designated Clearing House of its functions in relation to the resulting Registered Contract, Turquoise may take such action as it considers necessary. Such action may include the closure of Turquoise or the suspension of trading in a particular Product. Where such action is taken, notice thereof and of the reasons giving rise to the action shall be given to Members as soon as possible by the most appropriate method.
- 4.19.2 On emergency closure or the suspension of trading in particular Products, the placement of Orders and the execution of Transactions will cease until further notice either generally or in relation to the Products in which trading has been suspended.
- 4.19.3 Orders relating to a Standardised Product which are stored on the Orderbook at the time at which trading in such Product is suspended will normally remain on the Orderbook but will not be capable of being executed until trading in such Product resumes.
- 4.19.4 In these circumstances, Orders will retain their normal priority in accordance with Part 4.7. If for technical reasons, the procedures described above cannot be followed, Turquoise will inform Members of the circumstances and of the need to re-enter Orders on the Orderbook.
- 4.19.5 Normal trading shall be resumed following emergency closure or the suspension of trading in a particular Product as soon as Turquoise is satisfied that the circumstances permit. Turquoise shall inform Members of such resumption of trading as soon as reasonably practical.



4.20 Information Concerning Series

- 4.20.1 Turquoise disseminates information regarding Orders and Transactions in Series as specified in PART 2.
- 4.20.2 During the normal Trading Hours for each Standardised Product, Turquoise disseminates 5 levels of market depth. The Market Data information is distributed via HSVF as described in the technical specification.
- 4.20.3 In the absence of an express statement to the contrary, information relating to a Series which is listed in conjunction with Oslo Børs reflects the combined activity in such Series of Members of Turquoise and Members of Oslo Børs.

PART 5 GENERAL RULES FOR CLEARING AND SETTLEMENT OF ALL PRODUCTS**5.1 Introduction**

5.1.1 The Designated Clearing House acts as the Central Counterparty for Registered Contracts which result from transactions which are executed by means of the facilities of Turquoise or reported to it for Registration in accordance with its Rules. The Clearing House Regulations provide for the Clearing and settlement of the obligations in respect of Registered Contracts to be performed by the Member directly if it is a Clearing Member at the Designated Clearing House or by the General Clearing Member acting on behalf of the Member.

A Member shall ensure that it makes all arrangements which are required in order to ensure such obligations will be duly discharged in the manner provided for in the Clearing House Regulations, or where applicable, for such matters to be discharged by the General Clearing Member acting on behalf of the Member.

5.1.2 Members should ensure that they or, where applicable, the General Clearing Member acting on their behalf, comply with the Clearing House Regulations which require them to:

- (i) make arrangements with a bank approved by the Designated Clearing House for such purposes to enable its settlement and payment obligations to the Designated Clearing House to be performed by way of a PPS Transfer. The list of banks approved for such purposes together with copies of the documents required to be completed by Members in connection with the PPS arrangements are available from the Designated Clearing House on request;
- (ii) complete the necessary administrative procedures specified by the Designated Clearing House concerning the performance of delivery obligations appropriate to its activities at the Designated Clearing House.

5.1.3 Registered Contracts shall be settled on Expiration or Exercise as the case may be in accordance with the Clearing House Regulations applicable to the Contract in question.

5.1.4 Settlement of Registered Contracts shall be effected between the Designated Clearing House and the Clearing Member or General Clearing Member of the Designated Clearing House responsible for the Account in which the Contract which has expired or has been Exercised was registered at the relevant time.

5.1.5 Members which act as Clearing Members of the Designated Clearing House shall ensure that they comply with their obligations to provide Collateral to the Designated Clearing House in the manner provided for in the Clearing House Regulations to cover any Margin obligations in relation to Registered Contracts in the Clearing Account at the Designated Clearing House.

Members which use the services of a General Clearing Member in relation to the Clearing and settlement of Registered Contracts shall ensure that such General Clearing Member complies with the abovementioned obligations to provide Collateral to the Designated Clearing House.

5.1.6 Members should note that in accordance with the Clearing House Regulations, the Designated Clearing House may decline to enter into a Registered Contract or to cancel a Registered Contract where it is required to take such action in order to comply with Applicable Laws or Regulations or any order or direction given by or a requirement imposed by any relevant regulator or pursuant to the Rules of any such regulator.

In such circumstances Turquoise shall take the necessary steps in conjunction with the Designated Clearing House. Where any such action is taken, Turquoise may at its sole discretion effect such Transactions in the name of and for the Account of the Member to whom such law, regulation, order, direction or requirement applies as may be necessary in order to ensure that following such action and the Registration of the resulting Registered Contracts at the Designated Clearing House, the balanced position of the Designated Clearing House is maintained.

5.2 Trade registration

5.2.1 On execution of an Transaction in a Standardised Product or the acceptance of a trade report in accordance with these Rules relating to any such Product, the Clearing House Regulations provide that the Designated Clearing House shall enter into a Registered Contract so that:

- (i) where a Clearing Member is the seller in such Transaction, the Designated Clearing House shall enter into a Registered Contract as buyer from the Clearing Member; and
- (ii) where a Clearing Member is the buyer in such Transaction, the Designated Clearing House shall enter into a Registered Contract as seller to the Clearing Member.

As a party to such Registered Contracts, the Designated Clearing House is responsible for the performance of its obligations to the Clearing Member in question.

5.2.2 If the Counterparty to a transaction in a Product entered into by a Member is a Member of Oslo Børs, the Clearing House Regulations provide that it shall enter into a Balance Contract with identical economic content with Oslo Clearing which will in turn enter into a contract as buyer or seller as the case may be with the other party involved in the transaction.

5.2.3 In its capacity as Central Counterparty to Registered Contracts the Designated Clearing House accordingly maintains a neutral position at all times by entering into matching contracts as buyer and seller contemporaneously.

5.2.4 Where a Transaction in a Standardised Product is effected by means of Turquoise's electronic trading system the resulting Registered Contract will normally be registered upon receipt in the Clearing system of the Designated Clearing House.

Where a Transaction is effected by other means provided for in these Rules or is reported to Turquoise for Registration in accordance with these Rules, the resulting Registered Contract will be registered at the time that the contract in question is accepted for Clearing by the Designated Clearing House and matched in the Clearing system of the Designated Clearing House.

5.2.5 The acceptance of a trade report shall be at the sole discretion of Turquoise and the Designated Clearing House. Trade reports may be submitted to Turquoise by the Member or Members which are the counterparties to the Transaction referred to in such Request.

Trade reports relating to bilaterally negotiated trades in Standardised Products may be submitted during the normal Trading Hours for the Product in question.

For Registration outside trade reporting hours express approval from the Designated Clearing House will be required.

5.2.6 In exceptional circumstances, Turquoise will consider a trade report which is submitted during Trading Hours for the Contract in question which relates to a transaction which was entered into prior to the start of the current trading session. Any such trade report shall be submitted electronically to Market Operations using the predefined template available on Turquoise website.

In considering any such trade report, Turquoise shall have regard to the time and price at which the bilaterally negotiated trade was affected and any other factors which it considers to be material to its determination with regard to accepting the request. In any case express approval from the Designated Clearing House will be required.

5.2.7 Members should note that in accordance with the Clearing House Regulations, the Designated Clearing House may decline to enter into a Registered Contract or to cancel a Registered Contract where it is required to take such action in order to comply with Applicable Laws or Regulations or any order or direction given by or a requirement imposed by any relevant regulator or pursuant to the Rules of any such regulator.

In such circumstances Turquoise shall take the necessary steps in conjunction with the Designated Clearing House. Where any such action is taken, Turquoise may at its sole discretion effect such Transactions in the name of and for the Account of the Member to whom such law, regulation, order, direction or requirement applies as may be necessary in order to ensure that following such action and the Registration of the resulting Registered Contracts at the Designated Clearing House, the balanced position of the Designated Clearing House is maintained.

5.3 Give-Ups

- 5.3.1 A Member may for all or certain specified Registered Contracts in its Account give up transactions for Clearing and Settlement purposes to another Member.
- 5.3.2 The provisions of this Rule apply to the exclusion of Re-Registration in relation to the Giving-Up of a Registered Contract between Members.
- 5.3.3 In this Rule, "**Giving-up**" means the process of transferring a Registered Contract from the Account of the Transferring Member to the Account of the Accepting Member in accordance with this Rule and "**Give-up**" shall be construed accordingly.
- 5.3.4 For all Give-Ups except those to or from a Norwegian Clearing Member, the Transferring Member must perform the Give-up no later than 18:00 London time.
- For a Give-up to or from a Norwegian Clearing Member, the Give-up must be submitted no later than 17:30 London time on the day on which the transaction was executed.
- 5.3.5 The Transferring Member and the Accepting Member will be bound by the Give-Up Confirmation unless an objection is submitted to Turquoise no later than thirty minutes after the close of trading for the Product in question on the day on which the Give-Up Confirmation is issued. If a valid objection is received or if the Accepting Member declines to accept the Give-Up, the Registered Contract shall remain in the Account of the Member which effected the transaction.
- 5.3.6 Where the relevant Transaction has been executed by a Member of Oslo Børs, such party may agree with a Member which is a Clearing Member for the resulting Contract to be given-up for Clearing and settlement to such Clearing Member. These arrangements and the procedures governing the Registration of any Contract given-up to the Clearing Member shall be carried out in accordance with the Clearing House Regulations.
- 5.3.7 The procedures for a Give-up set out in this Rule do not apply to the arrangements made between a Member, a General Clearing Member and the Designated Clearing House whereby the responsibility for the Clearing and Settlement of all transactions undertaken by such Member is accepted by the General Clearing Member which has agreed to act in that capacity for the said Member. These arrangements will be governed by the terms of the NCM-GCM Agreement entered into by the parties in question.

5.4 Protests

5.4.1 Members have access to Statements specifying the Registered Contracts which have been registered in their Clearing Accounts at the Designated Clearing House.

5.4.2 The Member shall satisfy itself that the information contained in the Statement is complete and correct in all respects and that the Statement records accurately the terms of the transactions effected by the Member at Turquoise on the day in question.

A Member which uses the services of a General Clearing Member shall confirm with such General Clearing Member that the particulars of transactions shown in the Statements as having been entered in to by the Member are complete and correct in all respects.

In accordance with the Clearing House Regulations, the Member or General Clearing Member as the case may be, shall be bound by the terms of a Registered Contract recorded on a Statement if a valid Protest is to be submitted to Turquoise by the Member no later than 08:00 London time on the following Business Day, Such Protest shall be in writing and shall provide details of the alleged error.

5.4.3 Where Registration has or should have taken place on the same day as the Expiration Day of the Contract in question, Protests must be submitted no later than 60 minutes prior to the closing of the Clearing system on the Expiration Day.

Exceptions to time limits in this paragraph can be made if operationally possible, following approval from Turquoise (and Oslo Børs for Norwegian products).

5.4.4 In its own authority or following a request by a Member, Turquoise may effect an amendment of an incorrectly executed or non-executed Exercise or Cash Settlement, which Turquoise has processed or failed to process, on behalf of a Member.

A Member, who wishes to submit a Protest in respect of an incorrectly executed or non-executed Exercise or Settlement, that Turquoise has processed or failed to process, on behalf of a Member, must submit a request to Turquoise no later than 120 minutes after normal opening of the next Trading Day after the Exercise or Settlement was carried out, or should have been carried out.

Turquoise will inform the Members concerned how the amendment will be effected.

5.4.5 In its own authority or following a request by a Member, Turquoise may carry out the following measures, as a result of an incorrectly executed or non-executed Exercise or Cash Settlement, which a Member has processed or failed to process.

A Member, who wishes to submit a Protest in respect of an incorrectly executed or non-executed Exercise or Settlement, which that Member has processed or failed to process, must submit a request to Turquoise as soon as the error is discovered, however no later than after normal opening of the next Trading Day after the Exercise or Settlement was carried out.

If in Turquoise's opinion, a Member's request for Exercise or Settlement has been incorrectly executed, Turquoise may contact Members concerned on its own initiative, even if no Protest has been made.

Turquoise will cancel or amend the Exercise and any Settlements in question if Members concerned consent to such a measure.

- 5.4.6 On receipt of a valid Protest, Turquoise shall investigate the matter. Turquoise shall inform the Member submitting the Protest of its decision as soon as possible. Where the Member so requests, Turquoise shall confirm its decision and the reasons therefore in writing as soon as possible after the decision is given. Turquoise shall inform the Designated Clearing House of its decision concerning the Protest and shall arrange for the terms of any Registered Contracts affected by the Protest to be adjusted as required in accordance with its decision. The adjustment of the terms of any Registered Contracts pursuant to a Protest shall be effected by the Designated Clearing House in accordance with the Clearing House Regulations.

5.5 Re-Registration

- 5.5.1 A Request for Re-Registration requesting the transfer of all or certain specified Contracts Registered in a Clearing Account at the Designated Clearing House or the transfer of all or certain specified Contracts registered at Oslo Clearing to the Clearing Account of a Member at the Designated Clearing House may be submitted to Turquoise in accordance with the following provisions of this Rule.
- 5.5.2 A Request for Re-Registration may be submitted to Turquoise on the grounds that:
- (i) the Member has decided to use the services of a General Clearing Member and seeks the Re-Registration of Contracts registered in its Account to the Account of the General Clearing Member;
 - (ii) the Member has decided to terminate its existing arrangements with a General Clearing Member and seeks the Re-Registration of Contracts registered in the Account of such General Clearing Member pursuant to the execution of transactions by such Member to the Account of the Member or the Account of another General Clearing Member whose services the Member has decided to use;
 - (iii) the Registered Contracts to which the Request relates were effected on behalf of a Client who has requested that its positions be transferred to another Clearing Member;
 - (iv) the Registered Contracts to which the Request relates were effected on behalf of a Member as a Client of a Broker, and the Member has requested that the positions in question be transferred to its Proprietary Account;
 - (v) the Re-Registration is requested following the transfer of the business of the transferor Member to the transferee Member or other similar event; or
 - (vi) that the Registration of the Contract in the Account in question was the result of an error;
 - (vii) the Re-Registration is requested by a Member for a trade that has failed to be accepted by the receiving party via a (Give Up);
 - (viii) The Re-Registration is requested by a Member for an incorrectly Registered Contract or trade.
- 5.5.3 Requests for Re-Registration shall be submitted to Turquoise by submitting a duly completed request in writing. Any Request which seeks the Re-Registration of a Contract to or from a Client Account shall not be considered unless the Member requesting Re-Registration provides satisfactory confirmation that the Clients affected thereby have consented to the Re-Registration.

- 5.5.4 Requests for Re-Registration seeking the Re-Registration of a Registered Contract to or from the Clearing Account of a General Clearing Member (other than a Clearing Account used solely for the Registration of positions entered into by such General Clearing Member on its own Account) shall be submitted by a completed request in writing by the party affected by such Request.
- 5.5.5 A Request for Re-Registration shall be submitted no later than 60 minutes prior to the close of the Clearing system, normally 17:00 London time on the Trading Day following the day in question when the position or trade was Registered with the Designated Clearing House. The request contains the following details:
- (i) The Contracts/trades to be Registered
 - (ii) The Account of the transferor
 - (iii) The Account of the transferee
- 5.5.6 A Request for Re-Registration can be accepted prior to the specific product opening for trading; requests must be submitted no later than 07:30 London time.
- 5.5.7 All Requests for Re-Registration will be considered at the discretion of Turquoise and the Designated Clearing House and shall, if accepted, result in the Re-Registration of the Contract/trade in question being effected at the time specified by the Designated Clearing House.
- Turquoise will inform the Member which submitted the Request for Re-Registration of the decision with regard to the Request as soon as practicable following receipt of the Request.
- The decision of Turquoise and the Designated Clearing House in this respect shall be final and binding.
- Where a Request for Re-Registration is accepted, Turquoise shall arrange for the terms of any Registered Contract affected by its decision to be amended by the Designated Clearing House. Standard fees shall apply to Re-Registration of trades.



5.6 Exercise of Options Contracts

- 5.6.1 The timing governing the Exercise of Options Contracts is set out in the section of the applicable Product in question as defined in the individual Contract Specification.
- 5.6.2 European (style) Options Contracts are only eligible for Exercise on Expiration.
- 5.6.3 American (style) Options Contracts are eligible for Exercise on Expiration but may also be Exercised on any valid Business Day during the lifetime of the Option Contract.
- 5.6.4 All Options Contracts with the exception of Norwegian products are subject to automatic Exercise provided that they are In-the-Money on Expiration. Norwegian products have a 1% In-the-Money threshold. Option Contracts At-The-Money and Out-Of-The-Money are not subject to automatic Exercise and will expire worthless, unless Exercise is expressly requested.
- 5.6.5 The holder of an American Style Option which wishes to Exercise on a non Expiry Day shall submit such Exercise request through the Clearing System via its electronic connection or in writing. Only when valid confirmation is received will the Exercise request be submitted.
- 5.6.6 Exercises must comply with the Exercise Windows featured below.

Option style	Exercise	Exercise Window / manual Exercises	
		Open	Close
American style	Any Trading Day from the Trade Day until the Trading Day before Expiration Day	07:30	18:00
European style and American style	Expiration Day only	18:10	18:40

All times are London times

- 5.6.7 The above timings can be subject to alteration by Turquoise; any change to the above will be communicated through a Market notice.
- 5.6.8 On Exercise of an Option Contract, the Exercise Settlement Amount will be indicated on the Statements made available to Members in the Clearing System.
- 5.6.9 For Physical Settled Option Contracts refer to Rule 5.9.

- 5.6.10 Turquoise's determination of the time at which an Exercise request was received by shall be final and binding.
- 5.6.11 Where an Exercise has been accepted by Turquoise or an Option Contract is Exercised in accordance with these procedures, Turquoise will select a corresponding Option Contract to be Exercised against. Such Contract will be selected on a random basis from the available Short positions in the relevant Contracts.
- 5.6.12 If the Option Contract is a Put Option, the Exercise Settlement Amount shall be determined by multiplying the amount by which the Strike Price for the Options Contract in question exceeds the Expiration Settlement Price for such Options Contract by the Multiplier and the number of Option Contracts.
- 5.6.13 If the Option Contract is a Call Option, the Exercise Settlement Amount shall be determined by multiplying the amount by which the Strike Price for the Options Contract in question is below the Expiration Settlement Price for such Options Contract by the Multiplier and the number of Option Contracts.
- 5.6.14 Turquoise shall inform the Designated Clearing House of all positions that will be subject to Exercise and Assignment so that the Designated Clearing House may take the necessary action in respect of the Settlement of the related Option Contracts.

5.7 Fees Obligations

- 5.7.1 Members should note that all fees payable in relation to the execution, Registration, Clearing, Exercise or Expiration of a Contract relating to a Turquoise Transaction and other matters relative thereto shall be payable to the Designated Clearing House in accordance with instructions and invoices relating to such fees issued by the Designated Clearing House in respect of each calendar month.
- 5.7.2 The Member shall pay fees in accordance with Turquoise's Derivatives Tariff Schedule [Turquoise Derivatives - Tariff Schedule](#) as amended from time to time. Additional fee incentives for Market Makers apply. See the Market Making reference [Turquoise Derivatives - Market Making Obligations and Tariff Schedule](#).
- 5.7.3 Members should note fees applicable for connectivity to Turquoise systems, as defined in [Turquoise Derivatives - Connectivity charges](#) and amended from time to time.

5.8 Settlement and Delivery for Physically Settled Contracts

- 5.8.1 The rights and obligations for a Member and Turquoise regarding the Settlement of Registered Contracts relating to Physical Settled Future and Option Contracts are set out in the respective Contract Specifications for the products in question and in the following provisions of this Rule;
- 5.8.2 If the Member holds a net Short Futures position, Turquoise shall make available normally prior to 22:00 London time on the day in question through the Clearing Application the report “Expired Futures Positions to be settled MD51”. This report provides details relating to the Settlement Delivery obligations for the Underlying Stock in respect of its own Account Transactions and of Transactions executed on behalf of a Client together with the Settlement Amount payable to the Member in respect thereof.
- 5.8.3 If the Member holds a net Long Futures position, Turquoise shall make available normally prior to 22:00 London time on the day in question through the Clearing Application BCS, the report “Expired Futures Positions to be settled MD51”. This report provides details relating to the receipt obligations for the Underlying Stock in respect of its own Account Transactions and of Transactions executed on behalf of a Client together with the Settlement Amount due to the Member in respect thereof.
- 5.8.4 Where a Member Exercises an Option and the Exercise is accepted by Turquoise, or the Member is Assigned, Turquoise shall make available normally prior to 22:00 London time on the day in question through the Clearing Application BCS the report “Options Exercise/Assigned to be settled MD01”. This report specifies the number of Underlying Stock to be delivered by or to the Member in respect of own Account Transactions and of Transactions executed on behalf of a Client together with the Settlement Amount payable to or by the Member in respect thereof.
- 5.8.5 For purposes of cash settlement, the specified Delivery Settlement Amount will be calculated based on either the Expiration Settlement Price on the Expiration Day or the closing price defined by the London Stock Exchange on the day on which cash settlement was initiated, the better price for the buyer will be used.
- 5.8.6 The Member shall ensure that the information specified in the relating reports “MD51 and MD01” are accurate in all respects and notify Turquoise of any discrepancy no later than 08:00 London time on the Trading Day after the affected day of Delivery or Exercise.
- 5.8.7 Protests concerning Delivery or Settlement will not be considered by Turquoise.

5.9 Expiration Settlement Procedures for Physically Settled Contracts

- 5.9.1 The rights and obligations for a Member and Turquoise regarding the Expiration Settlement Procedures of Registered Contracts relating to Physically Settled Contracts shall be performed in accordance with this Rule.
- 5.9.2 Expiration Settlement comprises two elements:
- (i) the Delivery of the quantity of the Underlying Contract by the Seller to the Buyer; and the Expiration Settlement Amount by the Buyer to the Seller.
 - (ii) the Expiration Settlement Price and Expiration Settlement as determined in the relevant Contract Specification.
- 5.9.3 On the Expiration Date Turquoise shall make available reports detailing Settlement and Delivery obligations for each Member holding one or more positions in an expiring Series showing the quantity of the Underlying Contract in question to be Delivered to or by the Member together with the correlative payment obligation in respect of such Settlement.
- 5.9.4 The Seller of a Stock or Underlying DR Contract shall Deliver the specified amount against Payment in accordance with Turquoise's instructions on the third Business Day following the Contract Expiration Date for the Contract in question.
- 5.9.5 The Buyer of a Stock or Underlying DR Contract shall pay the Expiration Settlement Amount to the Seller against the Delivery of the Stock or Underlying DR on the third Business Day following the Contract Expiration Date for the Contract in question.
- 5.9.6 Turquoise may defer its Expiration Settlement Procedures if abnormal circumstances occur which prevent Settlement being effected at the normal time. Turquoise shall inform Members at the earliest opportunity of any such occurrence.
- 5.9.7 Turquoise shall notify all Members of the determined Expiration Settlement Price.
- The published Expiration Settlement Price on the Expiration Day may be subject to amendment if Turquoise deems necessary.
- 5.9.8 Turquoise will make available reports through BCS and in the absence of manifest error; the information provided by Turquoise shall be final and binding.
- 5.9.9 Where the performance of any Settlement obligation relating to a physically settled Contract falls on the same day as a settlement obligation relating to a corresponding Tailor-made Contract, such



obligations shall be combined so as to produce a single net settlement entitlement for the Member.

5.10 Expiration Settlement Procedures for Cash Settled Futures

- 5.10.1 Turquoise may defer its Expiration Settlement Procedures if abnormal circumstances occur which prevent Settlement being effected at the normal time. Turquoise shall inform Members at the earliest opportunity of any such occurrence.
- 5.10.2 The rights and obligations of the Buyer and the Seller in respect of the Expiration Settlement of cash settled Future Contracts shall be performed in accordance with this Rule.
- 5.10.3 A Future Contract is an agreement to buy or sell an Underlying on the Expiration Day settled in accordance with the Rules regarding cash Settlement. The agreed Future Price is the amount the buyer agrees to pay for an Underlying on the Expiration Day.
- 5.10.4 Turquoise shall notify all Members of the determined Expiration Settlement Price.
The published Expiration Settlement Price on the Expiration Day may be subject to amendment if Turquoise deems necessary.
- 5.10.5 Settlement on Expiration of a cash settled Future Contract shall be affected as a final Daily Cash Settlement on the Expiration Settlement Day plus 1 for such Contract.
- 5.10.6 Where the Expiration Settlement Price is higher than the previous day's Daily Settlement Price for such Contract, the difference (the Expiration Settlement Amount), is payable by the Seller and received by the Buyer.
- 5.10.7 Where the Expiration Settlement Price is lower than the previous day's Daily Settlement Price for such Contract, the difference (the Expiration Settlement Amount), is payable by the Buyer and received by the Seller.
- 5.10.8 All payments required to be made under this Rule shall be made in accordance with instructions issued by Turquoise. Such payments shall be made in the currency of the cash settled Futures Contract as specified in the relevant Contract Specification.
- 5.10.9 All obligations to make cash payments under the procedures governing Expiration Settlement of cash settled Future Contracts shall be affected by way of the Protected Payment System (PPS) arrangements established by the Designated Clearing House for such purposes. Such payments shall be effected in accordance with the instructions issued by the Designated Clearing House.
- 5.10.10 On the Expiration Day of a cash settled Future Contract Turquoise will make available to each Member holding positions Statements relating



to those positions and corresponding obligations. Turquoise's Statements shall be final and binding.

- 5.10.11 Where the performance of any cash Settlement obligation relating to cash settled Future Contract falls on the same day as a settlement obligation relating to a corresponding Tailor-made Contract such obligations shall be combined so as to produce a single net settlement entitlement for the Member.

5.11 Expiration procedures for IOB Dividend Futures

5.11.1 The rights and obligations of the Buyer and the Seller in respect of the settlement of an IOB DR Dividend Future Contracts or corresponding Late IOB DR Dividend Futures Contract shall be performed in accordance with this section.

5.11.2 Expiration Settlement comprises of one element:

The Expiration Settlement Amount for the IOB DR Dividend Contract is determined as the amount of Gross Ordinary Dividend paid by the DR Bank on or before the close of trading on the Expiration Date. This is normally rounded to 4 decimal places unless Turquoise provides otherwise. This is in relation to Dividends which are marked ex between the first Business Day after the third Friday of December and the third Friday of December the following year.

The Expiration Settlement Amount for the Late IOB DR Dividend Contract is determined as the amount of the Gross Ordinary Dividend paid by the DR bank during the Late Contract Lifetime in relation to Dividends marked ex between the first Business Day after the third Friday of December and the third Business Day of December the following year for the corresponding IOB DR Dividend Contract.

5.11.3 The Expiration Settlement Amount is determined by reference to the Expiration Settlement Price on its Expiration Date for the Contract in question as detailed in the relevant Contract Specification.

5.11.4 The payment of the Expiration Settlement Amount shall be due on the Expiration Settlement Day for the Contract in question.

5.11.5 Where the Expiration Settlement Price is higher than the previous day's Daily Settlement Price for such Contract, the difference (the Expiration Settlement Amount), is payable by the Seller and received by the Buyer.

5.11.6 Where the Expiration Settlement Price is lower than the previous day's Daily Settlement Price for such Contract, the difference (the Expiration Settlement Amount), is payable by the Buyer and received by the Seller.

Turquoise may defer its Expiration Settlement Procedures if abnormal circumstances occur which prevent Settlement being effected at the normal time. Turquoise shall inform Members at the earliest opportunity of any such occurrence.

5.11.7 Turquoise shall notify all Members of the determined Expiration Settlement Price.

The published Expiration Settlement Price on the Expiration Day may be subject to amendment if Turquoise deems necessary.



5.11.8 Turquoise will make available reports through the Clearing Application In the absence of manifest error; the information provided by Turquoise shall be final and binding.

5.12 Daily Cash Settlement

- 5.12.1 Futures Contracts are subject to Daily Cash Settlement.
- 5.12.2 Daily Cash Settlement for a product only occurs on official Bank Days for that product as detailed in the Turquoise Trading Calendars available on the Turquoise Website.
- 5.12.3 Where both the Opening Transaction and the Closing Transaction are Registered on the same day, cash Settlement between the Designated Clearing House and the Member shall be effected by reference to the difference between the Future Price for the two transactions.
- Where the Future Price for the Contract bought by the Member is higher than the Future Price for the Member's sold Contract, the Settlement Amount shall be payable by the Buying Member. Where the Future Price for the Contract bought by the Member is lower than the Future Price for the Member's sold Contract, the Settlement Amount shall be payable to the Selling Member.
- 5.12.4 The first Daily Cash Settlement occurs on the first Bank Day following the Registration of the Futures Contract. Thereafter, Daily Cash Settlement shall be affected on each Bank Day until the Expiration Day for the Futures Contract in accordance with the provisions of this Rule.
- 5.12.5 During the term of a Futures Contract, the Daily Settlement Price shall normally be determined in accordance with the process provided for in the relevant Contract specification.
- 5.12.6 The first Daily Settlement Amount for a Futures Contract shall be determined by reference to the difference between the Future Price for the Futures Contract in question and the Daily Settlement Price for the Futures Contract on that Trade Day.
- 5.12.7 Where the Future Price for such Futures Contract is higher than the Daily Settlement Price on the Trade Day in question, the first Daily Settlement Amount shall be payable to the Seller.
- 5.12.8 Where the Future Price for such Contract is lower than the Daily Settlement Price on the Trade Day in question, the first Daily Settlement Amount shall be payable to the Buyer.
- 5.12.9 The Daily Settlement Amount for a Futures Contract (other than the first Daily Settlement Amount) shall be determined by reference to the difference between the Daily Settlement Price for the Futures Contract on the Trading Day in question and the Daily Settlement Price for the immediately preceding Trading Day for such Futures Contract.



- 5.12.10 The Daily Settlement Amount shall be payable on the first Bank Day following the Trading Day in question in accordance with the instructions of the Designated Clearing House.
- 5.12.11 Turquoise makes available daily Statements to Members having Registered positions normally no later than 22:00 London time on each Trading Day.

5.13 Statements

- 5.13.1 Detailed Statements and reports in relation to any Member Account and position activity referred to in PART 5 of these Rules are available to Members through the Clearing Application (BCS).
- 5.13.2 The Statements are available normally no later than 22:00 London time on each Trading Day.

PART 6 DERIVATIVES BASED ON IOB DEPOSITARY RECEIPTS (IOB DRS)**6.1 Introductory**

6.1.1 The product specifications for International Order Book (IOB) DR Future and Option Contracts listed by Turquoise are defined within this Rulebook. The Contract Specifications for these products are set out below.

These Derivative Contracts are offered for trading or reporting on Turquoise during Trading Hours on Trading Days as published in Turquoise trading calendar on its website at www.tradeturquoise.com.

6.1.2 The rights and obligations concerning delivery of the Underlying Depositary Receipt following the Expiration of a Futures Contract as found under Part 5.9 or the Exercise of an Options Contract as under Part 5.6 shall be performed by means of the Designated Settlement Venue's system. The Member shall make arrangements at the Designated Settlement Venue to act on its behalf in relation to such deliveries where necessary.

6.1.3 All references to time in this Part shall be construed as references to London time unless indicated otherwise.

6.1.4 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.

6.1.5 Terms in this Part shall have the meanings ascribed to them in Part 1.2

6.1.6 For the Recalculation Rules on IOB DR on Derivatives, refer to the Corporate Action policy document found on www.tradeturquoise.com - [Derivatives Corporate Actions Policy](#).

6.1.7 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4 and PART 5 in this Rulebook.

6.2 Contract Specification: International Order Book Depository Receipt (IOB DR) Futures

Contract Underlying Depository Receipts (DRs) on International Companies listed on the London Stock Exchange's (LSE) International Order Book (IOB) and listed in the [Turquoise Derivatives - Product List](#) on the [Turquoise Website](#).

Type of Contract Physically settled Futures Contracts with Daily Cash Settlement.

Central Counterparty LCH.Clearnet.

Trading Hours 08:15 - 15:30 London time for Orderbook trading.
 07:30 - 17:30 London time for Trade Reporting.

Multiplier 100 DRs.
 This may change in specific cases in accordance with the Recalculation Rules.

Currency USD, United States Dollar, \$.

Quotation display Future Price in USD.

Tick size and Tick Value	Price	Tick size	Tick Value
USD Less than	-	USD 0.5	USD 0.01
USD 0.5	-	USD 0.9995	USD 0.05
USD 1	-	USD 4.999	USD 0.10
USD 5	-	USD 9.995	USD 0.5
USD 10	-	USD 49.99	USD 1.0
USD 50	-	USD 99.95	USD 5.0
USD 100	-	USD 499.9	USD 10
USD 500	-	USD 999.5	USD 50
USD 1000	-	USD 4999	USD 100
USD 5000+		USD 5	USD 500



Settlement style	Physical Settlement by Delivery of the Underlying DR on Expiration
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.
Contract lifetimes and Expiration Months	First two serial and next four quarterly expiries of the 'March, June, September and December' cycle;
Daily Settlement Price	The official closing price of the Underlying DR on the London Stock Exchange IOB on each day adjusted for Fair Value rounded (where applicable) up to four decimal places.
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.
Expiration Settlement Price	The official closing price of the Underlying DR on the London Stock Exchange IOB on Expiration Day. Turquoise shall take this value and round up (where applicable) to the nearest four decimal places to establish the Expiration Settlement Price.
Expiration Settlement	Three Trading Days after Expiration for Physical Delivery of DRs against payment of Expiration Settlement Amount.

6.3 Contract Specification: International Order Book Depository Receipt (IOB DR) Options

Contract Underlying Depository Receipts (DRs) on International Companies listed on the London Stock Exchange's (LSE) International Order Book (IOB) and listed in the Turquoise Derivatives - Product List on the Turquoise Website.

Type of Contract European Style, physically settled DR Call and Put Option Contracts.

Central Counterparty LCH.Clearnet.

Trading Hours 08:15 - 15:30 London time for Orderbook trading.
 07:30 - 17:30 London time for Trade Reporting.

Exercise Window 18:10 - 18:40 London time on Expiration Day.

Multiplier 100 DRs.
 This may change in specific cases in accordance with the Recalculation Rules.

Currency USD, United States Dollar, \$.

Quotation display Option Premium in USD.

Tick size and Tick Value	Premium up to four decimal places	Tick size	Tick Value
USD Less than	USD 0.25	USD 0.005	USD 0.50
USD 0.25	- USD 2.00	USD 0.01	USD 1
USD 2.0	- USD 4.00	USD 0.05	USD 5
USD 4.0	- USD 10	USD 0.1	USD 10
USD 10 +		USD 0.25	USD 25

Settlement style Physical Settlement.

Option style European Style.

Listing Day The Monday preceding the Expiration Day each month.
 Where this is not a normal Trading Day, the preceding Trading Day shall be used.

Expiration Day The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.

Contract lifetimes and First two serial and next four quarterly expiries of the 'March, June, September

Expiration Months and December' cycle;



End of Day Price Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, Dividend amount (if applicable), ex-Dividend date (if applicable), the second order interpolation and the arbitrage free surface rounded (where applicable) to four decimal places.

Exercise Settlement Price The official closing price of the Underlying DR on the London Stock Exchange IOB on Expiration Day. Turquoise shall take this value and rounded (where applicable) up to four decimal places.

Exercise Settlement Three Bank Days after Exercise for Physical Delivery of DR against payment of Exercise Settlement Amount.

Premium Settlement One Bank Day after the Trade Day.

6.4 Tailor-made IOB DR Derivatives: Flexible Parameters

6.4.1 Such contracts are available in accordance with PART 4 allowing Members to specify specific parameters.

6.4.2 Members may specify:

- (i) Expiration Day (any Trading Day out to Five years)
- (ii) Premium or Future Price (to four decimal places)
- (iii) For Options only; Strike Price (to four decimal places)

PART 7 DERIVATIVES BASED ON IOB DR DIVIDENDS**7.1 Introductory**

- 7.1.1 The product specifications for (IOB DR) Dividend Future Contracts and Late (IOB DR) Dividend Futures listed by Turquoise are defined within this Rulebook.
- 7.1.2 These Derivative Contracts are offered for trading on Turquoise during Trading Hours on Trading Days.
- 7.1.3 All references to time in this Part shall be construed as references to London time unless indicated otherwise.
- 7.1.4 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.
- 7.1.5 Terms in this Part shall have the meanings ascribed to them in 1.2.
- 7.1.6 For the Recalculation Rules on IOB DR Dividends, refer to the Corporate Action policy document found on www.tradeturquoise.com - [Derivatives Corporate Actions Policy](#).
- 7.1.7 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4, and PART 5 in this Rulebook.

7.2 Contract Specification: IOB DR Dividend Futures

Contract Underlying	The Annual Gross Dividend paid per relevant DR. “Annual” is defined as having gone ex between the first Business Day after the third Friday of December and the third Friday of December the following year.					
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement.					
Central Counterparty	LCH.Clearnet.					
Trading Hours	08:15 - 15:30 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.					
Multiplier	100 DR Dividends. This may change in specific cases in accordance with the Recalculation Rules.					
Currency	USD, United States Dollar, \$.					
Quotation display	Future Price in USD.					
Tick size and Tick Value	Future Price		Tick size		Tick Value	
	USD	0.0000 -	USD	0.9995	USD	0.0005
	USD	1.0000 -	USD	4.9990	USD	0.0010
	USD	5.0000 +			USD	0.0100
					USD	0.05
					USD	0.10
					USD	1.00
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.					
Listing Day	The Monday preceding the Expiration Day each year. Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Expiration Day	The third Friday in the Expiration Month (January). Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Contract lifetimes and Expiration Months	Out to two years. First two contracts of the ‘January’ cycle.					
Daily Settlement Price	The most up to date announcement by the Depository Bank relating to the Dividend. In the period before any announcements are made, Turquoise will use relevant Dividend forecasts as supplied by its chosen Dividend Information Provider.					

Note that the Daily Settlement Price is NOT adjusted for Fair Value.

Daily Cash Settlement

One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.

Expiration Settlement Price

The amount of Gross Ordinary Dividend paid by the Depository Bank on or before the close of trading on the Expiration Day and normally rounded to four decimal places. This is in relation to the Dividends which are marked ex between the first Trading Day after the third Friday in December and the third Friday in December the following year.

Expiration Settlement

One Bank Day after Expiration for payment of Expiration Settlement Amount.

7.3 Contract Specification: IOB DR Late Dividend Futures

Contract Trigger	<p>Late IOB DR Futures only exist when a Dividend that was marked ex for a normal IOB DR Dividend Future has not been physically paid in its entirety by the Depository Bank before Expiration of the normal IOB DR Dividend Future Contract.</p> <p>Late IOB DR Dividend Contracts are extensions of normal Contracts to protect against any late payments of Dividends by Issuers.</p>		
Automatic Allocation	<p>If not all Dividends are paid on the Underlying DR by Expiration, an equal position in “Late IOB DR Dividend Futures” is automatically created for any normal IOB DR Dividend Future position carried to Expiration. The position is opened at a price of zero and is subject to Daily Cash Settlement calculations specified below.</p>		
Contract Underlying	<p>Remaining amount of ordinary Dividend that went ex in the relevant period for the normal Contract but was not paid by the Depository Bank before Expiration.</p>		
Type of Contract	<p>Cash settled Future Contracts with Daily Cash Settlement.</p>		
Central Counterparty	<p>LCH.Clearnet.</p>		
Trading Hours	<p>08:15 - 15:30 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.</p>		
Multiplier	<p>As per Multiplier on the corresponding IOB DR Dividend Future at Expiration.</p> <p>This may change in specific cases in accordance with the Recalculation Rules.</p>		
Currency	<p>USD, United States Dollar, \$.</p>		
Quotation display	<p>Future Price in USD.</p>		
Tick size and Tick Value	Future Price	Tick size	Tick Value
	USD 0.0000 - USD 0.9995	USD 0.0005	USD 0.05
	USD 1.0000 - USD 4.9990	USD 0.0010	USD 0.10
	USD 5.0000+	USD 0.0100	USD 1.00
Settlement style	<p>Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.</p>		

Listing Day	The first Trading Day following Expiration of the corresponding IOB DR Dividend Future. This only occurs in accordance with the “Contract Trigger” (see above).
Expiration Day	<p>The third Friday in the Expiration Month (January).</p> <p>Where this is not a normal Trading Day, the preceding Trading Day shall be used.</p> <p>Turquoise reserves the right to bring forward the Expiration Day once all outstanding Dividends have been physically paid.</p>
Contract lifetimes and Expiration Months	<p>Out to one year:</p> <p>First contract of the ‘January’ cycle.</p>
Daily Settlement Price	Determined by subtracting the Expiration Settlement Price of the corresponding IOB DR Dividend Future from the most up to date announcement by the Depository Bank relating to the relevant Dividend period.
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.
Expiration Settlement Price	The remaining amount of Gross Ordinary Dividend paid by the Depository Bank during the Lifetime of the Late Contract which applies in relation to Dividends captured by the corresponding normal IOB DR Dividend Future.
Expiration Settlement	One Bank Day after Expiration for payment of Expiration Settlement Amount.

PART 8 DERIVATIVES BASED ON THE FTSE RUSSIA IOB INDEX¹**8.1 Introductory**

- 8.1.1 The product specifications for FTSE Russia IOB Index Contracts listed by Turquoise are defined within this Rulebook.
- 8.1.2 These Derivative Contracts are offered for trading on Turquoise during Trading Hours on Trading Days as published in Turquoise trading calendar on its website at www.tradeturquoise.com.
- 8.1.3 All references to time in this Part shall be construed as references to London time unless indicated otherwise.
- 8.1.4 The FTSE Russia IOB Index is described in the Ground Rules for the management of the FTSE Russia IOB Index and is available from www.ftse.com/Indices.
- 8.1.5 The FTSE Russia IOB Index is licensed to Turquoise by FTSE International Limited in its capacity as the Index Provider and calculated continuously during the day on each Trading Day by FTSE International Limited (both “FTSE”). In the event of computer failure or lack of information the frequency of calculations and reports may be altered.
- 8.1.6 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.
- 8.1.7 Terms in this Part shall have the meanings ascribed to them in 1.2
- 8.1.8 For general Rules relating to Turquoise Derivatives, refer to PART 1 PART 3, PART 4 and PART 5 in this Rulebook.

¹ “Turquoise Global Holdings Limited has entered into a licence agreement with FTSE to be permitted to use the FTSE Russia IOB Index that FTSE owns rights in, in connection with the listing, trading and marketing of Derivative products linked to the FTSE Russia IOB Index.

Neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Russia IOB Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading any contract linked to the FTSE Russia IOB Index.

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FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE RUSSIA IOB INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE”

8.2 Contract Specification: FTSE Russia IOB Index Futures

Contract Underlying	The FTSE Russia IOB Index (FTSE RIOB Index).		
Type of Contract	Cash settled Future Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours	08:15 - 16:00 London time for Orderbook trading. 08:15 - 15:30 London time for Orderbook trading of Expiration Day. 07:30 - 17:30 London time for Trade Reporting.		
Multiplier	USD 50 per Index point.		
Currency	USD, United States Dollar, \$.		
Quotation display	Future Price in Index points.		
Tick size and Tick Value	Tick size	Tick Value	
	0.25 points	USD 12.5	
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	Out to 12 months: First four quarterly of 'March, June, September, December' cycle.		
Daily Settlement Price	The official closing price of the FTSE RIOB Index on the London Stock Exchange IOB each day adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.		
Expiration Settlement Price	The official closing price of the FTSE RIOB Index on the London Stock Exchange IOB on Expiration Day.		
Expiration Settlement	One Bank Day after Expiration for payment of Expiration Settlement Amount.		

8.3 Contract Specification: FTSE Russia IOB Index Options

Contract Underlying	The FTSE Russia IOB Index (FTSE RIOB Index).					
Type of Contract	European Style, cash settled DR Call and Put Options Contracts.					
Central Counterparty	LCH.Clearnet.					
Trading Hours	08:15 - 15:30 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.					
Exercise Window	18:10 - 18:40 London time on Expiration Day.					
Multiplier	USD 50 per Index point.					
Currency	USD, United States Dollar, \$.					
Quotation display	Option Premium in Index points.					
Tick size and Tick Value	Premium		Tick size		Tick Value	
	0.0 points	- 0.10 points	0.01 points		USD	0.5
	0.1 points	- 3.95 points	0.05 points		USD	2.5
	4.0 points	- 9.90 points	0.10 points		USD	5.0
	10 Points+		0.25 points		USD	12.5
Settlement style	Cash Settlement.					
Option style	European Style.					
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Contract lifetimes and Expiration Months	Out to 12 months: First four quarterly Contracts of 'March, June, September, December cycle.					
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, Dividend amount (if applicable), ex-Dividend date (if applicable), the second order interpolation and the arbitrage free surface.					
Exercise Settlement	The official closing price of the FTSE RIOB as calculated by FTSE on					

Expiration Day following the closing auction on the IOB.

Exercise Settlement

One Bank Day after Expiration Day for payment of Exercise Settlement Amount.

Premium

Settlement

One Bank Day after the Trade Day.





8.4 Tailor-made FTSE Russia IOB Index Derivatives: Flexible Parameters

8.4.1 Such contracts are available in accordance with PART 4 allowing Members to specify specific parameters

8.4.2 Members may specify;

- (i) Expiration Day (any Trading Day out to Five years)
- (ii) Premium or Future Price (to two decimal places)
- (iii) For Options only; Strike Price (to two decimal places)

PART 9 DERIVATIVES BASED ON NORWEGIAN STOCK**9.1 Introductory**

- 9.1.1 Turquoise provides a linked Orderbook in Norwegian Stock Contracts in conjunction with Oslo Børs. These arrangements are governed by a Co-operation Agreement entered into by Turquoise with Oslo Børs and are designed to ensure that Members of each trading venue may participate equally in the markets of these Contracts. Turquoise has adopted Rules which are consistent with the Rules of Oslo Børs governing Norwegian Stock Contracts. Trading on the linked Orderbook in Norwegian Stock Contracts will be conducted on an anonymous basis so that Members will not be aware of the identity of their trading Counterparty or the trading venue of which it is a Member. The Designated Clearing House will be responsible for the Clearing and Settlement of Norwegian Stock Contracts entered into by Members of Turquoise.
- 9.1.2 Save where there is an express indication to the contrary, all references to time in this Part shall be construed as references to London time.
- 9.1.3 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part
- 9.1.4 Terms in this Part shall have the meanings ascribed to them in 1.2
- 9.1.5 For the Recalculation Rules on Norwegian Stock Derivatives, refer to [Oslo Børs website](#).
- 9.1.6 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4 and PART 5 in this Rulebook.

9.2 Contract Specification: Norwegian Stock Futures

Contract Underlying Norwegian Companies listed on Oslo Børs and listed in the Turquoise Derivatives - Product List on the Turquoise Website.

Type of Contract Physically settled Future Contracts with Daily Cash Settlement.

Central Counterparty LCH.Clearnet.

Trading Hours 08:00 - 15:20 London time for Orderbook trading.
07:30 - 17:30 London time for Trade Reporting.

Multiplier 100 Shares.
This may change in specific cases in accordance with the Recalculation Rules.

Currency NOK, Norwegian Kroner.

Quotation display Future Price in NOK.

Tick size and Tick Value	Future Price	Tick size	Tick Value
NOK 0.0 - NOK 9.99	NOK 0.01	NOK 1	
NOK 10.0 - NOK 49.95	NOK 0.05	NOK 5	
NOK 50.0 - NOK 149.90	NOK 0.10	NOK 10	
NOK 150.0 - NOK 999.75	NOK 0.25	NOK 25	
NOK 1000.0 - NOK +	NOK 0.50	NOK 50	

Settlement style Physical Settlement by Delivery of the Underlying Stock on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.

Listing Day The Monday preceding the Expiration Day each month.
Where this is not a normal Trading Day, the preceding Trading Day shall be used.

Expiration Day The third Thursday in the Expiration Month.
Where this is not a normal Trading Day, the preceding Trading Day shall be used.

Contract lifetimes and Expiration Months Group One - Expiration every month
Every month new future contracts are listed;
3 months: January, February, April, May, July, August, October and November

12 months: March and September lifetime

*for STL June and December series have a lifetime of 24 months.

Group Two - Expiration every third month

Out to 9 months: March, June, September and December

* MHG and SDRL have a term of 6 months only

The Product List on the Turquoise Website shows all Stocks and their corresponding Group.

Daily Settlement Price	The official closing price of the Underlying Stock on Oslo Børs each day adjusted for Fair Value.
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.
Expiration Settlement Price	The official closing price of the Underlying Stock on Oslo Børs on Expiration Day.
Expiration Settlement	Three Bank Days after Expiration for Physical Delivery of Stock against payment of Expiration Settlement Amount.

9.3 Contract Specification Norwegian Stock Options

Contract Underlying	Norwegian Companies listed on Oslo Børs and listed in the Turquoise Derivatives - Product List on the Turquoise Website.					
Type of Contract	American Style, Physically settled Call and Put Option Contracts.					
Central Counterparty	LCH.Clearnet.					
Trading Hours	08:00 - 15:20 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.					
Exercise Window	07:30 - 18:00 London time on any Trading Day except Expiration Day. 18:10 - 18:40 London time on Expiration Day.					
Multiplier	100 Shares. This may change in specific cases in accordance with the Recalculation Rules.					
Currency	NOK, Norwegian Kroner.					
Quotation display	Option Premium in NOK.					
Tick size and Tick Value	Premium		Tick size		Tick Value	
	NOK	0.0 - NOK 0.10	NOK	0.01	NOK	1
	NOK	0.1 - NOK 3.95	NOK	0.05	NOK	5
	NOK	4.0 - NOK 7.90	NOK	0.10	NOK	10
	NOK	8.0 - NOK +	NOK	0.25	NOK	25
Settlement style	Physical Settlement.					
Option style	American Style.					
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Expiration Day	The third Thursday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Contract lifetimes and Expiration Months	Group One - Expiration every month Every month new option contracts are listed; 3 months: January, February, April, May, July, August, October and					

November

12 months: March and September lifetime

*for STL June and December series have a lifetime of 24 months.

Group Two - Expiration every third month

Out to 9 months: March, June, September and December

* MHG and SDRL have a term of 6 months only

The Product List on the Turquoise Website shows all Stocks and their corresponding Group.

End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, Dividend amount (if applicable), ex-Dividend date (if applicable), the second order interpolation and the arbitrage free surface.
Exercise Settlement Price	The official closing price of the Underlying Stock on Oslo Børs each Trading Day including Expiration Day.
Exercise Settlement	Three Bank Days after Exercise for Physical Delivery of Stock against payment of Exercise Settlement Amount.
Premium Settlement	One Bank Day after the Trade Day.

PART 10 DERIVATIVES BASED ON THE OBX AND OBOSX INDEX**10.1 Introductory**

10.1.1 Turquoise provides a linked Orderbook in OBX and OBOSX Contracts in conjunction with Oslo Børs. These arrangements are governed by a Co-operation Agreement entered into by Turquoise with Oslo Børs and are designed to ensure that Members of each trading venue may participate equally in the markets of these Contracts. Turquoise has adopted Rules which are consistent with the Rules of Oslo Børs governing OBX and OBOSX Contracts. Trading on the linked Orderbook in OBX and OBOSX Contracts will be conducted on an anonymous basis so that Members will not be aware of the identity of their trading Counterparty or the trading venue of which it is a Member. The Designated Clearing House will be responsible for the Clearing and settlement of OBX and OBOSX Contracts entered into by Members of Turquoise.

The arrangements for the Clearing of contracts on the linked Orderbook in OBX and OBOSX Contracts are governed by a Clearing Co-operation Agreement entered into by the Designated Clearing House with Oslo Clearing.

10.1.2 The OBX and OBOSX Indices are described more fully in the Conditions of Oslo Børs and can be found on www.oslobors.no.

10.1.3 The OBX and OBOSX Indices are calculated continuously during the day on each Trading Day by Oslo Børs by way of automated data retrieval. In the event of computer failure or lack of information from Oslo Børs other sources of information and other methods for the calculation and distribution of the OBX and OBOSX Indices may be adopted. As a result of this, the frequency of calculations and reports may be altered.

10.1.4 Save where there is an express indication to the contrary, all references to time in this Part shall be construed as references to London time.

10.1.5 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.

10.1.6 Terms in this Part shall have the meanings ascribed to them in 1.2.

10.1.7 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4 and PART 5 in this Rulebook.

10.2 Contract Specification: OBX Index Futures

Contract Underlying	The OBX Index. The benchmark Index for Norway.		
Type of Contract	Cash settled Future Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours	07:30 - 15:20 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.		
Multiplier	NOK 100 per Index point.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Future Price in Index points.		
Tick size and Tick Value	Future Price	Tick size	Tick Value
	0 points - 1000 points	0.10 points	NOK 10
	1000 points - + points	0.25 points	NOK 25
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Thursday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	Expiration every month Every month new future contracts are listed; 3 months: January, February, April, May, July, August, October and November 12 months: March and September lifetime		
Daily Settlement Price	The official closing price of the OBX Index as calculated each day by Oslo Børs and adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.		



Expiration Settlement Price	VWAP of the OBX cash market, including closing auction calculated by Oslo Børs on Expiration Day.
Expiration Settlement	One Bank Day after Expiration for payment of Expiration Settlement Amount.

10.3 Contract Specification: OBX Index Options

Contract Underlying	The OBX Index. The benchmark Index for Norway					
Type of Contract	European Style, cash settled Call and Put Option Contracts.					
Central Counterparty	LCH.Clearnet.					
Trading Hours	08:00 - 15:20 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.					
Exercise Window	18:10 - 18:40 London time on Expiration Day.					
Multiplier	NOK 100 per Index point.					
Currency	NOK, Norwegian Kroner.					
Quotation display	Option Premium in Index points.					
Tick size and Tick Value	Premium		Tick size		Tick Value	
	0.0 points	- 0.10 points	0.01 points	0.01 points	NOK	1
	0.1 points	- 3.95 points	0.05 points	0.05 points	NOK	5
	4.0 points	- 7.90 points	0.10 points	0.10 points	NOK	10
	8.0 points	- + points	0.25 points	0.25 points	NOK	25
Settlement style	Cash Settlement.					
Option style	European Style.					
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.					
Contract lifetimes and Expiration Months.	Expiration every month Every month new option contracts are listed; 3 months: January, February, April, May, July, August, October and November 12 months: March and September lifetime					
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, Dividend amount (if applicable), ex-Dividend date (if applicable), the second order interpolation and the arbitrage free surface.					



Exercise Settlement Price	VWAP of the OBX cash market, including closing auction calculated by Oslo Børs on Expiration Day.
Exercise Settlement	One Bank Day after Expiration Day for payment of Exercise Settlement Amount.
Premium Settlement	One Bank Day after the Trade Day.

10.5 Contract Specification: OBOSX Index Futures

Contract Underlying	OBOSX - Oslo Børs OBX Oil Service Index.		
Type of Contract	Cash settled Future Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours	07:30 - 15:20 London time for Orderbook trading. 07:30 - 17:30 London time for Trade Reporting.		
Multiplier	NOK 100 per Index point.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Future Price in Index points.		
Tick size and Tick Value	Future Price	Tick size	Tick Value
	0 points - 1000 points	0.10 points	NOK 10
	1000 points - + points	0.25 points	NOK 25
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Thursday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	2 serial months and 2 quarterly months from the March, June, September, December cycle.		
Daily Settlement Price	The official closing price of the OBOSX Index as calculated each day by Oslo Børs and adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.		
Expiration Settlement Price	VWAP of the OBOSX cash market, including closing auction calculated by Oslo Børs on Expiration Day.		
Expiration Settlement	One Bank Day after Expiration for payment of Expiration Settlement Amount.		



10.6 OBX and OBOSX Composition

- 10.6.1 The Rules for the Construction and maintenance of the OBX and OBOSX contains the basis for calculation of the OBX and OBOSX Indices, including the Rules how adjustments shall be made in issue, corporate restructuring, etc and under what circumstances shares can be excluded upon calculation of the Index. The conditions for the OBX and OBOSX can be found at [Oslo Børs/ Regulations/ Derivatives-Rules](#).
- 10.6.2 Where a Member of Turquoise wishes to object to any such issue, it shall inform Turquoise of its grounds of complaint. Turquoise shall refer the matter to Oslo Børs which shall resolve the matter in accordance with its established procedures outlined in its Rules governing such matters.

PART 11 DERIVATIVES BASED ON THE FTSE 100 INDEX²**11.1 Introductory**

11.1.1 The product specifications for FTSE 100 Index Contracts listed by Turquoise are defined within this Rulebook.

These Derivative Contracts are offered for trading on Turquoise during Trading Hours on Trading Days as published in Turquoise trading calendar on its website at www.tradeturquoise.com.

11.1.2 The FTSE 100 Index is described in the Ground Rules for the management of the FTSE 100 Index and is available from www.ftse.com/Indices.

11.1.3 The FTSE 100 Index is licensed to Turquoise by FTSE International Limited in its capacity as the Index Provider and calculated continuously during the day on each Trading Day by FTSE International Limited (both “FTSE”). In the event of computer failure or lack of information the frequency of calculations and reports may be altered.

11.1.4 All references to time in this PART 11 shall be construed as references to London time unless indicated otherwise.

11.1.5 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.

11.1.6 Terms in this Part shall have the meanings ascribed to them in 1.2

11.1.7 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4 and PART 5 in this Rulebook.

² “Turquoise Global Holdings Limited has entered into a licence agreement with FTSE to be permitted to use the FTSE 100 Index that FTSE owns rights in, in connection with the listing, trading and marketing of Derivative products linked to the FTSE 100 Index.

Neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE 100 Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading any contract linked to the FTSE 100 Index.

“FTSE®” is a trademark of the London Stock Exchange Plc and The Financial Times Limited.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE 100 INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE”

11.2 Contract Specification: FTSE 100 Index Futures

Contract Underlying	The FTSE 100 Index. The benchmark Index for the United Kingdom.	
Type of Contract	Cash settled Future Contract with Daily Cash Settlement.	
Central Counterparty	LCH.Clearnet.	
Trading Hours	08:00 - 16:30 London time. 07:30 - 17:30 London time phone reporting of block trades. On Expiration Day, trading finishes as soon as reasonably practicable after 10:15am once the Expiration Settlement Price of the Index has been determined.	
Multiplier	GBP 10 per Index point.	
Currency	GBP, British Pound, £.	
Quotation display	Future Price in Index points.	
Tick size and Tick Value	Tick size	Tick Value
	0.5 points	GBP 5
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.	
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.	
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.	
Contract lifetimes and Expiration Months	Out to 12 months: First four quarterly months of 'March, June, September, December' cycle.	
Daily Settlement Price	The closing value of the FTSE 100 Index as calculated by FTSE each Trading Day at 16:35 following the closing auction on the London Stock Exchange. This value is adjusted by Turquoise to reflect Fair Value and rounded to two decimal places.	



**Daily Cash
Settlement**

One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.

**Expiration
Settlement Price**

The value of the FTSE 100 Expiry Index as calculated by FTSE at 10:15 on the Expiration Day or as soon as reasonably practicable, following the intraday auction on the London Stock Exchange

<http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/exchange-delivery-settlement-price.htm>

(plus up to 30 seconds random interval and any price monitoring extensions or Market Order extensions in any of the constituent Stocks). Turquoise shall take this value and round to the nearest 0.5 Index points to establish the Expiration Settlement Price. Members shall be aware that the Expiration Settlement Price may vary from that trading day's highs and lows.

**Expiration
Settlement**

One Bank Day after Expiration for payment of Expiration Settlement Amount.

11.3 Contract Specification: FTSE 100 Index Options

Contract Underlying	The FTSE 100 Index. The benchmark Index for the United Kingdom.	
Type of Contract	European Style, Cash settled Call and Put Option Contracts.	
Central Counterparty	LCH.Clearnet.	
Trading Hours	08:00 - 16:30 London time 07:30 - 17:30 London time phone reporting of block trades On Expiration Day, trading finishes as soon as reasonably practicable after 10:15 once the Expiration Settlement Price of the Index has been determined.	
Exercise Window	18:10 - 18:40 London time on Expiration Day.	
Multiplier	GBP 10 per Index point.	
Currency	GBP, British Pound, £.	
Quotation display	Option Premium in Index points.	
Tick size and Tick Value	Tick size	Tick Value
	0.5 points	GBP 5
Settlement style	Cash Settlement.	
Option style	European Style.	
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.	
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.	
Contract lifetimes and Expiration Months.	Out to 24 months: First two non quarterly months; First eight quarterly months of 'March, June, September, December' cycle.	
End of Day Price	Price used to calculate theoretical value of Option Contract positions in order to facilitate the margining process at the Clearing level. This price is calculated in accordance with standard Black Scholes Options pricing model.	

Exercise Settlement Price	<p>The value of the FTSE 100 Expiry Index as calculated by FTSE at 10:15 on the Expiration Day or as soon as reasonably practicable, following the intraday auction on the London Stock Exchange</p> <p>http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/exchange-delivery-settlement-price.htm</p> <p>(plus up to 30 seconds random interval and any price monitoring extensions or Market Order extensions in any of the constituent Stocks). Turquoise shall take this value and round to the nearest 0.5 Index points to establish the Expiration Settlement Price. Members shall be aware that the Exercise Settlement Price may vary from that trading day's highs and lows.</p>
Exercise Settlement	One Bank Day after Expiration Day for payment of Exercise Settlement Amount.
Premium Settlement	One Bank Day after the Trade Day.

PART 12 DERIVATIVES BASED ON UNITED KINGDOM STOCKS**12.1 Introductory**

12.1.1 The product specifications for United Kingdom Stock Option Contracts listed by Turquoise are defined within this Rulebook. The Contract Specifications for these products are set out below.

These Derivative Contracts are offered for Trade reporting as found under Part **Error! Reference source not found.** and are available on Turquoise during Trading Hours on Trading Days as published in Turquoise trading calendar on its website at www.tradeturquoise.com.

12.1.2 The rights and obligations concerning delivery of the Underlying Stock following the Exercise of an Options Contract as under Part 5.6 shall be performed by means of the Designated Settlement Venue's system. The Member shall make arrangements at the Designated Settlement Venue to act on its behalf in relation to such deliveries where necessary.

12.1.3 All references to time in this Part shall be construed as references to London time unless indicated otherwise.

12.1.4 The application and interpretation of this Part shall be governed by English law and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this Part.

12.1.5 Terms in this Part shall have the meanings ascribed to them in Part 1.2

12.1.6 For the Recalculation Rules on United Kingdom Stock on Derivatives, refer to the Corporate Action policy document found on www.tradeturquoise.com - [Derivatives Corporate Actions Policy](#).

12.1.7 For general Rules relating to Turquoise Derivatives, refer to PART 1, PART 3, PART 4 and PART 5 in this Rulebook.

12.2 Contract Specification: United Kingdom Stock Options

Contract Underlying	United Kingdom stocks listed on the London Stock Exchange's (LSE) and listed in the Turquoise Derivatives Product List on the Turquoise Website.	
Type of Contract	European or American Style, physically settled Call and Put Option Contracts.	
Central Counterparty	LCH.Clearnet.	
Trading Hours	07:30 - 17:30 London time for Trade Reporting.	
Exercise Window	18:10 - 18:40 London time on Expiration Day.	
Multiplier	1000 Shares. This may change in specific cases in accordance with the Recalculation Rules.	
Currency	GBX, British Pence, p	
Quotation display	Option Premium in GBX up to two decimal places	
Tick Size and Tick Value	Tick Size	Tick Value
	GBX 0.01	GBP .10
Settlement style	Physical Settlement.	
Option style	European or American Style.	
Expiration Day	Flexible, on any normal Trading Day out to 5 years	
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, Dividend amount (if applicable), ex-Dividend date (if applicable), the second order interpolation and the arbitrage free surface.	
Exercise Settlement Price	The official closing price of the Underlying on the London Stock Exchange on Expiration Day. Turquoise shall take this value and round up to the nearest two decimal places to establish the Expiration Settlement Price.	
Exercise Settlement	Three Bank Days after Exercise for Physical Delivery of DR against payment of Exercise Settlement Amount.	
Premium Settlement	One Bank Day after the Trade Day.	



12.3 Tailor-made UK Stock Option Contracts: Flexible Parameters

12.3.1 Such contracts are available in accordance with PART 4 allowing Members to specify specific parameters.

12.3.2 Members may specify:

- (i) Expiration Day (any Trading Day out to Five years)
- (ii) Premium (to two decimal places)
- (iii) Strike Price (to two decimal places)