

# Nordic Growth Market

Börse Stuttgart Group

## Member Rules

**Rules for Members of Nordic Growth Market NGM AB**

1 April, 2024

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# 1 Introduction

Since 2003, Nordic Growth Market NGM AB (“**NGM**”) is an exchange authorized by the Swedish Financial Supervisory Authority. NGM is a wholly-owned subsidiary of Boerse Stuttgart GmbH, which is also the owner of Boerse Stuttgart, the leading retail exchange in Germany.

NGM operates (i) a regulated market (Main Regulated), (ii) a multilateral trading facility (Nordic MTF), and (iii) an SME Growth Market (Nordic SME). All trading takes place in NGM’s in-house developed trading system, Elasticia, to which members, Swedish and international banks and investment firms, are connected directly or through an approved supplier of market access.

These member rules contain the rules which the members of NGM must comply with. The members enter into a Membership Agreement (as defined below) with NGM, according to which the members of NGM undertake to comply with the member rules applicable from time to time. The current rulebook for members is always available at [www.ngm.se](http://www.ngm.se).

NGM has until 31 January 2024 provided its trading system Elasticia as a service to Spotlight Stock Market AB (previously ATS Finans AB), the market operator of Spotlight Stock Market. Commencing 1 February, 2024, NGM no longer provides this service to Spotlight Stock Market AB. In this version of the member rules, the amendments mainly address this change, thus deleting any reference to ATS Finans AB and Spotlight Stock Market.

This version of the member rules entered into force on 1 April, 2024.

## 2 Definitions and abbreviations

Base Liquidity Provider	A Member engaged by the Exchange for the purpose of providing basic liquidity in financial instruments, which is dealing on own account by buying and selling such financial instruments against the Member's proprietary capital at prices defined by that person.
Block Trade	A Negotiated Trade where the transaction is equal to or larger than the minimum size of Order specified in Annex I.
Call Auction	The period between Pre-Trading and Continuous Trading in which opening prices are determined.
Continuous Trading	The period between the Call Auction and Post Open. During Continuous Trading, trading takes place in the Order Book. Negotiated Trades can be reported in the Trading System.
DEA	Direct Electronic Access; means an arrangement where a Member permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the Exchange and includes arrangements which involve the use by a person of the infrastructure of the member, or any connecting system provided by the member, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access).
DEA Client	A client to which a Member provides DEA in accordance with sections 4.8 – 4.9.
EEA	The European Economic Area.
Equities	Shares, depositary receipts, and ETFs.
ESMA	European Securities and Markets Authority.
ETF	Exchange Traded Fund.
EU Data Protection Laws	The General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679).
Exceptional circumstances	Exceptional circumstances as defined in Article 3 of Commission Delegated Regulation (EU) 2017/578.

Exchange	Nordic Growth Market NGM AB.
Internal Trade	A Trade entered into between two customers of the same Member or between a Member and its customer.
Liquid Equities	Equities for which there is a liquid market as defined in Commission delegated regulation (EU) 2017/567.
Liquidity Provider	A Member, or investment firm client of a Member, engaged by an issuer of shares for the purpose of providing liquidity in the issuer's shares, or Share-related Securities, which is dealing on own account by buying and selling such financial instruments against the Member's proprietary capital at prices defined by that person.
Main Regulated	A regulated market for trading in financial instruments.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
Market Maker	A Member engaged by an issuer of bonds, structured products or Securitized Derivatives for the purpose of providing liquidity in the issuer's bonds, structured products or Securitized Derivatives, which is dealing on own account by buying and selling such financial instruments against the Member's proprietary capital at prices defined by that person.
Market Making Strategy	A strategy when dealing on own account, involving the posting of firm, simultaneous two-way quotes of comparable size and at competitive prices relating to one or more financial instruments for at least 50 % of the daily trading hours of Continuous Trading during at least half of the trading days over a one-month period, with the result of providing liquidity on a regular and frequent basis.
Market Notice	A notice from the Exchange which is published through the Exchange's applicable distribution system from time to time.
Market Segment	A classification of financial instruments determined by the Exchange.

Member	A legal entity that has been granted membership of the Exchange.
Membership Agreement	The agreement regarding participation in trading applicable from time to time for trading at the Exchange.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
Negotiated Trade	A privately negotiated Trade which is executed outside the Order Book and which the parties, prior to the execution of the Trade, agree shall be reported under NGM's member rules.
Non-Equities	Bonds, structured finance products and Securitized Derivatives (including but not limited to commodity derivatives).
Nordic MTF	A trading platform (Multilateral Trading Facility) for financial instruments.
Nordic SME	A market segment of Nordic MTF for shares and share-related instruments that has been registered as an SME growth market.
Order	An offer to buy or sell a certain amount of a financial instrument.
Order Book	A compilation of relevant buy and sell Orders in respect of a particular financial instrument in the Trading System.
Post Open	The period after Continuous Trading until closure of the Order Book. Orders can be processed during Post Open.
Pre Open	The period from the opening of the Order Book until commencement of the Call Auction. During Pre Open, Negotiated Trades can be reported and Orders processed.
Qualified Algorithmic Trader	A Member, or investment firm client of a Member, which is engaged in a Market Making Strategy and which deals on own account in at least one financial instrument.

Quote	An Order which may contain both a bid quote and sell quote and where the difference between the bid quote and sell quote may be zero (0) or greater, as defined in the Exchange's market model applicable from time to time.
Relevant Negotiated Trades	See section 5.3.2.
Securitized Derivative	Means a transferable security as defined in article 4.1(44)(c) of MiFID II.
Share-related Securities	Means transferable securities which may carry an entitlement to subscription, conversion, exchange or acquisition in any other manner of shares; e.g. warrants, convertible bonds, subscription rights and paid subscribed shares.
SMA	The Swedish Securities Market Act (Sw. <i>lagen (2007:528) om värdepappersmarknaden</i> ).
Spread	The range from the highest buy Order to the lowest sell Order for a particular financial instrument in the Order Book.
Stabilisation	All purchases or offers to purchase a financial instrument made by a Member on behalf of an issuer in conjunction with a significant distribution of the financial instrument for the purpose of supporting the market price for a predetermined period.
Stressed Market Conditions	Significant short-term changes of price and volume in financial instruments, as identified by the Exchange.
Suspended Order	An Order which is not active in the market and which is only visible to the Member.
Time of the Trade	The time at which a Trade takes place.
Trade	An agreement for the sale and purchase of a financial instrument via the Order Book or by means of a Negotiated Trade.
Trading Day	Means Pre Open, a Call Auction, Continuous Trading, and Post Open, jointly.
Trading Halt (suspension)	A suspension of trading in one or more financial instruments.

**Trading System**

The Exchange's proprietary trading system, Elasticia, as well as any subsequent versions or replacement versions thereof.

## **3 General Provisions**

### **3.1 Generally regarding the Exchange's member rules**

- 3.1.1 These member rules govern the terms and conditions of membership. The rules also cover trading rules and provisions relating to connection to the Trading System.
- 3.1.2 These member rules are binding on a Member upon execution of the Membership Agreement.
- 3.1.3 A Member shall comply at all times with the most recent version of these member rules, statutes and regulations which are relevant to the business activities and generally accepted practices on the securities market. An updated and current version of these member rules is available at [www.ngm.se](http://www.ngm.se).
- 3.1.4 These member rules shall at all times have priority over supplemental documents or other agreements entered into with the Exchange, unless the Exchange expressly states otherwise.
- 3.1.5 The Exchange shall be entitled to assign all of its rights and obligations specified in these member rules to a third party.
- 3.1.6 Violations of these member rules shall be handled by the Exchange and the Exchange's disciplinary committee.

### **3.2 The Exchange's undertakings and obligations**

- 3.2.1 The Exchange undertakes to hold relevant licences from the Swedish Financial Supervisory Authority.
- 3.2.2 The Exchange undertakes to endeavour from time to time to provide a well-functioning, effective and operationally safe Trading System in accordance with the technical specifications notified from time to time.
- 3.2.3 The Exchange shall, as far as possible, notify Members of any serious operational disturbances in the Trading System by means of a Market Notice.
- 3.2.4 Employees of the Exchange and other contractors to the Exchange are prevented by law (Chapter 1, section 11 of the SMA) from disclosing or utilising what they have learned during their employment or work about any other party's business circumstances or personal circumstances. The duty of confidentiality shall apply notwithstanding that the employment relationship has terminated or the services have been completed.
- 3.2.5 In certain cases, the Exchange is obliged by law (Chapter 1, section 12 of the SMA) to disclose confidential information to third parties.

3.2.6 The Exchange shall be entitled to disclose information, including confidential information, concerning its operations and associated circumstances to the Swedish Financial Supervisory Authority, ESMA and to any other third party in accordance with legislation, regulations, and generally accepted practices in the securities market. In order to obtain access to confidential information, such other third party must be subject to a duty of confidentiality or enter into a confidentiality agreement with the Exchange.

### **3.3 Membership**

3.3.1 Only Members and DEA Clients may participate in trading on the Exchange in accordance with what is set out in section 3.4 below. The Exchange makes the decision of (i) approval of a Member and (ii) if such Member should be granted approval to provide DEA and/or Sponsored Access in accordance with sections 4.7-4.8 below.

3.3.2 A Member must:

- be a (i) securities institution (*Sw. värdepappersinstitut*) which is authorized to conduct securities operations pursuant to Chapter 2, section 1, subsections 1, 2, or 3 of the SMA, or (ii) a foreign company, within or outside the EEA, which is authorized to conduct operations in its home country equivalent to those just referred to and which is under satisfactory supervision by a public authority or other authorized body in its home country;
- have a capital (calculated in accordance with Chapter 3, section 7 of the SMA or equivalent legislation) of not less than €730,000; and
- be deemed by the Exchange to have adequate organisational arrangements, necessary risk management procedures, sufficient technical systems, and otherwise be deemed suitable to participate in trading on the Exchange.

3.3.3 A Member shall comply at all times with the terms and conditions of section 3.3.2. In the event of non-compliance with the terms and conditions, a Member must immediately inform the Exchange, which shall be entitled to terminate the membership (see further section 6.7 below).

3.3.4 A Member shall be entitled to participate in trading when the following requirements are met:

- the Member has signed the Membership Agreement in which the Member undertakes to comply with the Exchange's member rules applicable from time to time, as required by the Exchange,
- the Member has passed conformance testing in accordance with section 4.2, and

- the Member is, directly or indirectly, connected to a clearing and settlement system for the obligations entered into by the Member which is recognised by the Exchange.

- 3.3.5 A Member may only participate in trading on behalf of a third party if the Member is a securities institution which is authorized to conduct securities operations pursuant to Chapter 2, section 1, subsection 2 of the SMA or is a foreign company which is authorized in its home country to conduct operations equivalent to those just referred to and which is under satisfactory supervision by a public authority or another authorized body in its home country.
- 3.3.6 Exchange membership entitles a Member to trade in all of the Exchange's Market Segments unless the Exchange decides otherwise.
- 3.3.7 A Member must have in place appropriate pre-trade controls on price, volume and value of Orders and usage of the Trading System, taking into consideration the nature, scale and complexity of the Member's business.
- 3.3.8 A Member shall be obliged to have in place appropriate procedures and systems for the clearing and settlement of the obligations entered into by the Member.
- 3.3.9 A Member shall be ascribed a membership ID by the Exchange. The Exchange may, under special circumstances, ascribe a Member two or more membership IDs.
- 3.3.10 A Member shall keep records of and save all information relating to Orders or Trades in the Trading System for not less than five years. A Member shall also keep records of and save all information relating to Orders and Trades which are placed or entered into by a client to which a Member provides DEA, for not less than five years. The information must be provided to the Exchange at the Exchange's request.
- 3.3.11 A Member is strictly liable for Orders and Trades which are made via the Member's connection.
- 3.3.12 A Member shall not be entitled to transfer its rights or obligations set forth in these member rules to any third party without the written approval of the Exchange.

#### **3.4 Staff requirements on the Member**

##### *Authority to participate in trading through approved traders*

- 3.4.1 A Member shall have at least two traders who is employed by the Member and that has been registered and approved by the Exchange.
- 3.4.2 A Member may only participate in trading on the Exchange where a trader as set out in section 3.4.1 is at all times is responsible for the Member's participation on the Exchange.

- 3.4.3 A DEA Client may only participate in trading on the Exchange where a trader, who is registered by the Exchange and employed by the Member, at all times is responsible for the DEA Client's participation on the Exchange.
- 3.4.4 The Exchange registers a trader where approval is granted and following application by the Member. The Exchange shall, if possible, ascribe a unique ID to each registered trader. The Member shall ensure that such ID cannot be used by a third party.
- 3.4.5 If it is not possible for the Exchange to ascribe an ID to each registered trader in accordance with section 3.4.3, the Member shall internally ascribe a unique ID to each registered trader. The Member shall ensure that (i) such ID cannot be used by a third party and (ii) records are kept separately for each such ID in accordance with section 3.3.10.
- 3.4.6 The Member shall ensure that the trader is suitable and fulfils the requirements set forth below. The trader must have good knowledge of both these member rules and the regulations applicable to the securities market in the form of statutes and other enactments, rules (including self-regulation) and generally accepted practices.
- 3.4.7 The Member shall immediately notify the Exchange in the event of the termination of a trader's employment or where circumstances otherwise arise which may entail that the trader is no longer eligible to be registered as a trader.
- 3.4.8 If a trader registered by the Exchange has not been active in the Trading System for a period of twenty-four (24) months, the Exchange may revoke the trader's authority to act in the Trading System.

*Technical contact person*

- 3.4.9 A Member shall appoint from amongst its employees no fewer than two technical contact persons who shall be responsible for the Member's technical equipment and connection to the Trading System. The Member shall ensure that at least one technical contact person is available to the Exchange throughout the entire Trading Day in order to handle and administer any enquiries from the Exchange. The Member shall notify the Exchange in writing of the names, e-mail addresses and telephone numbers of the contact persons both at the outset and upon replacement of such persons.

*Compliance function*

- 3.4.10 A Member shall have in place a compliance function with good knowledge of both these member rules and the regulations applicable to the securities market in the form of statutes and other enactments, rules (including self-regulation) and generally accepted practices. The Member shall appoint from amongst its compliance function a compliance contact that shall serve as the Exchange's primary point of contact in compliance related matters and amendments to the member rules pursuant to section 6.4. The Member shall notify the Exchange of any changes to the contact details of its compliance contact.

*Risk management function*

- 3.4.11 A Member shall have a risk management function with sufficient knowledge and understanding of the Member's business to determine appropriate thresholds for the Member's pre-trade controls pursuant to clause 3.3.7.

**3.5 Obligation of Members to provide information**

- 3.5.1 As soon as possible at the Exchange's request, a Member shall provide the Exchange with any information, including information regarding contracting parties, which the Exchange deems necessary in order to fulfil its obligations pursuant to any law, regulation, statute, other enactment, and these member rules, as well as any information concerning the Member's business which is required to enable the Exchange to determine whether the Member fulfils the requirements for membership and is in compliance with its undertakings in accordance with these member rules.
- 3.5.2 A Member shall immediately and without being requested to do so provide the Exchange with any information which the Member publishes or causes to be published which may be of significance to the Exchange's determination of the Member's ability to fulfil its undertakings pursuant to these member rules.
- 3.5.3 A Member shall immediately notify the Exchange in the event the Member's financial position deteriorates to such an extent that there exists a risk that the Member will no longer be able to perform its obligations or fulfil the requirements imposed in accordance with these member rules, or other circumstances exist which give rise to such risk.
- 3.5.4 The Exchange shall immediately be informed if a Member changes business name, address, or contact details.
- 3.5.5 The Exchange must immediately be informed in the event a Member erroneously receives from the Exchange confidential information which relates to another Member. The Member shall handle the information in accordance with the Exchange's instructions. Such information shall remain confidential and may not be used by the Member.

**3.6 Annual risk-based compliance assessment of the Member**

3.6.1 The Exchange is entitled to carry out an annual risk-based compliance assessment of a Member. Such assessment may include:

- verification of the relevant authorizations held by the Member in accordance with section 3.3.2,
- verification of the applicable pre-trade controls on price, volume and value of Orders and usage of the Trading System, and post-trade controls,
- verification of the Member's compliance with the Exchange's staff requirements, as set out in section 3.4,
- conformance testing by the Member in accordance with section 4.2,
- policy of use of the kill functionality,
- verification of whether or not the Member provides DEA, and if applicable, whether the Member complies with the requirements for providing DEA in accordance with section 4.8–4.9.

3.6.2 The Exchange may in its reasonable discretion decide to conduct additional risk-based compliance assessments of a Member in accordance with section 3.6.1.

3.6.3 A Member selected for annual risk-based compliance assessment by the Exchange shall, without undue delay, provide the Exchange with information which the Exchange requests for these purposes.

3.6.4 A Member deemed substantially non-compliant following a risk-based compliance assessment may be subject to sanctions in accordance with section 6.10.

### **3.7 Information from the Trading System**

3.7.1 The Exchange provides market information through the Trading System. Such information may only be used internally by a Member.

3.7.2 "Used internally" means in this context (i) the use only by employees who require the information in carrying out their work in order to be able to perform work duties related to trading on the Exchange and (ii) the use of the information for the purpose of performing an undertaking to act as Market Maker on the Exchange. A Member shall regularly enter a list of those individuals who have access to real-time market information and provide the Exchange with such list at the Exchange's request.

3.7.3 A Member may not, in whole or in part, systematically transmit information from the Trading System or information processed based on information from the Trading System to any third party without a separate agreement with the Exchange. The foregoing shall apply irrespective of the form and scope of the systematic transmitting of information.

### **3.8 Base liquidity providers**

3.8.1 A Base Liquidity Provider shall apply the requirements on volume, spread and presence set out in the Exchange's Base Liquidity Provider Agreement applicable from time to time.

### **3.9 Liquidity providers**

3.9.1 A Member may act as Liquidity Provider on Main Regulated and Nordic SME in respect of an issuer's financial instruments by entering into an agreement with the issuer.

3.9.2 A Member who has entered into an agreement with an issuer to act as Liquidity Provider shall immediately notify the Exchange of the agreement and inform from which date the guarantee is to apply. A copy of the agreement between the Member and the issuer must be delivered to the Exchange.

3.9.3 A Liquidity Provider shall apply the requirements on volume, spread and presence set out in the Exchange's Liquidity Provider Rules applicable from time to time. The Exchange's Liquidity Provider Rules are made available on the Exchange's website, at [www.ngm.se](http://www.ngm.se).

3.9.4 A Member shall immediately notify the Exchange if the Member ceases to be a Liquidity Provider in respect of a particular financial instrument.

3.9.5 A Member which is trading on behalf of an investment firm client that is acting as a Liquidity Provider shall be responsible for ensuring the investment firm's compliance with sections 3.9.1-3.9.4. The Member shall be responsible for the investment firm client's compliance with the Exchange's Liquidity Provider Rules.

3.9.6 A Member shall only be allowed to permit investment firm clients to act as Liquidity Providers in accordance with section 3.9.5, following approval by the Exchange. Such approval is normally granted if the Member and the investment firm client is part of the same company group.

### **3.10 Market Makers**

3.10.1 A Market Maker shall apply the requirements on volume, spread and presence set out in the Exchange's Market Maker Rules applicable from time to time. The Exchange's Market Maker Rules are made available on the Exchange's website, at [www.ngm.se](http://www.ngm.se).

### **3.11 Qualified Algorithmic Traders**

- 3.11.1 The Exchange is required to enter into market making agreements with all investment firms pursuing a Market Making Strategy on the Exchange's trading venues. The Exchange's Rules for Qualified Algorithmic Traders shall constitute an agreement between the Exchange and the Qualified Algorithmic Trader.
- 3.11.2 A Qualified Algorithmic Trader shall, for each financial instrument in which it pursues a Market Making Strategy, meet the requirements set out in the Exchange's Rules for Qualified Algorithmic Traders, which is made available on the Exchange's website, at [www.ngm.se](http://www.ngm.se).
- 3.11.3 A Member which is trading on behalf of an investment firm client that is acting as a Qualified Algorithmic Trader shall be responsible for ensuring the investment firm's compliance with sections 3.11.1-3.11.2. The Member shall be responsible for the investment firm client's compliance with the Exchange's Rules for Qualified Algorithmic Traders.
- 3.11.4 A Qualified Algorithmic Trader may be entitled to financial incentives to provide liquidity in Liquid Equities during Stressed Market Conditions as set out in the Exchange's Rules for Qualified Algorithmic Traders applicable from time to time.

### **3.12 Exceptional Circumstances, etc.**

#### *Exceptional Circumstances – Temporary and complete waivers of obligations*

- 3.12.1 The Exchange shall through a Market Notice make public the occurrence of Exceptional Circumstances pursuant to article 4 of Commission Delegated Regulation (EU) 2017/578, as well as the resumption of normal trading after the Exceptional Circumstances have ceased to exist. During the occurrence of Exceptional Circumstances, Base Liquidity Providers, Liquidity Providers, Market Makers and Qualified Algorithmic Traders shall not be obliged to provide liquidity in accordance with sections 3.8-3.11.

#### *Stressed Market Conditions and Market making schemes – Financial incentives for providing liquidity*

- 3.12.2 The Exchange shall, where necessary, through a Market Notice make public the occurrence of Stressed Market Conditions pursuant to article 6 of Commission Delegated Regulation (EU) 2017/578.
- 3.12.3 The Exchange may grant Liquidity Providers, Qualified Algorithmic Traders and Base Liquidity Providers incentives for providing liquidity in case of Stressed Market Conditions. Such incentives, which are exclusively applicable for Liquid Equities, are set out in the Exchange's Market making scheme. The Exchange's Market making scheme is found in the Exchange's (i) Liquidity Provider Rules, (ii) Rules for Qualified Algorithmic Traders and (iii) Agreement regarding Base Liquidity Provision on NGM Access, which is made available on the Exchange's website, at [www.ngm.se](http://www.ngm.se).

*Volatile markets – Temporary Spread requirements during volatile markets*

- 3.12.4 The Exchange may, during temporary volatile markets and at its own discretion, grant Liquidity Providers and Base Liquidity Providers temporary and partial alleviations from their respective obligations to provide liquidity. Such alleviations are automatically available to Liquidity Providers and Base Liquidity Providers provided that volatile markets, as set out in the Liquidity Provider Rules and the Base Liquidity Provider Agreement respectively, are deemed to exist. Liquidity Providers and Base Liquidity Providers intending to apply such alleviations during volatile markets shall immediately inform the Exchange of the use of the alleviations.

*Trading Halt*

- 3.12.5 Neither Base Liquidity Providers, Liquidity Providers, Marker Makers nor Qualified Algorithmic Traders shall provide quotes in a financial instrument which has been subject to a Trading Halt.

## **4 Provisions concerning connection to the Trading System**

### **4.1 Connection to the Trading System**

- 4.1.1 In order to obtain access to the Trading System and to conduct trading in the Trading System, a Member must be connected to the Trading System using a technical system approved from time to time by the Exchange.
- 4.1.2 In order to be able to obtain access to the Trading System, a Member must be connected to a network approved from time to time by the Exchange. Prior notice must be given to the Exchange of any change in network provider. The Exchange shall be entitled to appoint specific network providers for the Member. The Member shall bear all costs associated with the implementation of, connection to, and operation of, the network.
- 4.1.3 A Member may make changes to its technical equipment which is connected to the Trading System. Any changes to the Member's technical system which may have an effect on the Trading System must be notified to and approved by the Exchange before the change may come into effect. The notification must contain a technical description of the changes which are to be effected and the Member's opinion of the effect that any change will have on the Member and the Exchange.
- 4.1.4 All costs in respect of technical equipment and the installation of the technical equipment for a Member, including costs related to a Member's connection to the Trading System, shall be borne by the Member.

### **4.2 Tests**

#### *Conformance testing*

- 4.2.1 For the purpose of ensuring that the basic functioning of the Member's trading system, algorithm and strategy complies with these member rules, the Member shall, at the Member's own expense, undertake conformance testing prior to the deployment or a substantial update of:
- the access to the Trading System; or
  - the Member's trading system, trading algorithm or trading strategy.
- 4.2.2 The conformance testing shall verify the functioning of the following:
- the ability of the system or algorithm to interact as expected with the Trading System's matching logic and the adequate processing of data flows from and to the Trading System;

- the basic functionalities such as submission, modification or cancellation of an Order or a Quote, static and market information downloads and all business data flows;
- the connectivity, including the cancel on disconnect command, market information feed loss and throttles, and the recovery, including the intraday resumption of trading and the handling of suspended instrument or non-updated market information.

4.2.3 Conformance testing shall be carried out in the Exchange's testing environment.

4.2.4 Following completion of conformance testing, the Exchange shall deliver a report of the results to the Member.

*Testing of algorithms, etc.*

4.2.5 Prior to deployment or substantial update of any algorithm or trading strategy, the Member shall certify to the Exchange that the algorithm or trading strategy has been tested to avoid contributing to or creating disorderly trading conditions. The Member shall also provide documents explaining the means used for testing.

4.2.6 Testing of algorithms and trading strategies shall be carried out in the Exchange's testing environment.

*Additional testing*

4.2.7 The Exchange shall be entitled at any time to request that a Member, at the Member's own expense, tests its technical systems relating to connection to the Trading System in accordance with the directions and instructions issued by the Exchange. The Exchange retains the right to reject a Member's technical system if, in the Exchange's opinion, the tests do not produce satisfactory results. Upon a rejection of a Member's technical system, the Exchange shall be entitled to revoke the Member's access to the Trading System.

4.2.8 A Member shall comply at all times with any instructions which are notified by the Exchange from time to time and upgrade its systems and connections and conduct tests in relation thereto in accordance with the Exchange's instructions.

**4.3 Updates and maintenance**

4.3.1 The Exchange retains the right to implement changes and updates to the Trading System, such as updating computer equipment (hardware) or changing the location of such computer equipment, updating the Trading System's software or implementing changes in communication protocols regarding connection to the Trading System.

4.3.2 Where possible, the Exchange shall notify a Member of any changes to the Trading System within a reasonable period of time before such changes are effected. In the event of extensive changes which also require modifications to a Member's technical equipment, the notification shall contain a description of the changes, information concerning tests, and the date on which the changes will take effect. Updates, maintenance, additions, and other changes to the Trading System may only be performed by the Exchange. A Member shall comply with any instructions notified by the Exchange in relation thereto.

4.3.3 The Exchange shall be entitled to temporarily shut down the Trading System, or parts thereof, or limit the functions in the system, during ongoing updates or maintenance. Where possible, the Exchange shall endeavour to perform updates or maintenance after the end of the Trading Day and notify Members within a reasonable period of time prior to implementation.

#### **4.4 Support**

4.4.1 Under normal operating conditions, staff to monitor and support the Trading System is available during the Trading Day. Support is provided by telephone and by e-mail. The support which is provided can deal with simple questions and problems to a reasonable extent. For more complicated questions, the Exchange reserves the right to charge a Member for its assistance in accordance with the prices for such support applied by the Exchange from time to time. The Exchange shall use its reasonable endeavours to resolve a Member's requests for support but provides no guarantee that the requests for support will be either wholly or partly resolved.

#### **4.5 Disruptions caused by a Member**

4.5.1 Where a Member's technical equipment or connection to the Trading System (i) does not function satisfactorily, (ii) in the Exchange's opinion does not fulfil the requirements imposed by the Exchange, or (iii) if the Member is using the Trading System in a manner which is disruptive to the ordinary operation, the Member shall rectify the defect or deficiency as soon as possible. The Exchange may order the Member not to use the technical equipment or parts thereof until the defect or deficiency has been rectified. To the extent necessary in the Exchange's opinion, the Exchange reserves the right to limit the Member's volume of transactions, in whole or in part, or discontinue the Member's connection until the Member has rectified the defect or deficiency.

#### **4.6 Security**

4.6.1 A Member shall ensure that its technical equipment is designed and located in such a manner as to ensure the fulfilment of high standards as regards access, traceability, and physical security. Accordingly, inter alia, the equipment must be protected against unauthorized interference and it must be possible retroactively to trace changes in the Trading System. The technical equipment shall be located in premises that are not accessible to unauthorized persons. The Exchange may stipulate additional security measures.

- 4.6.2 A Member shall ensure that its employees follow satisfactory security procedures and observe confidentiality as regards the Member's methods and procedures for accessing the Trading System.
- 4.6.3 A Member shall immediately inform the Exchange in the event of a violation of security rules or a failure to take security measures, or if there is a risk of serious violations which may affect the Member's connection to the Trading System, another Member, or the Trading System.
- 4.6.4 A Member shall ensure that no unauthorized persons, either directly or indirectly, obtain access to the Trading System. A Member shall ensure that its employees uphold the security requirements in relation to access to the Trading System. The Exchange must immediately be informed if a Member suspects that an unauthorized person has obtained access to the Trading System or that a third party has become aware of a method for obtaining unauthorized access to the Trading System.
- 4.6.5 A Member is responsible for all data traffic via the Member's connection to the Trading System.
- 4.6.6 A Member is entitled to use the services of a subcontractor for technical solutions for connection to, and communication with, the Trading System. A Member is primarily liable for such subcontractors, as for itself, and shall ensure that the provisions of these member rules are applicable to the subcontractor.

#### **4.7 Direct Electronic Access**

*For the avoidance of doubt, the provisions in this section 4.7 are applicable to providers of direct market access as well as providers of sponsored access.*

- 4.7.1 Arrangements that allow clients to transmit orders to a Member in an electronic format, such as online brokerage, should not be considered DEA provided that clients do not have the ability to determine the fraction of a second of order entry and the life time of orders within that time frame.
- 4.7.2 Direct electronic order transmission which takes place through arrangements for optimisation of order execution processes that determine the parameters of the order other than the venue or venues where the order should be submitted should not be considered DEA, unless these arrangements are embedded into the clients' systems and not into those of the member.
- 4.7.3 A Member must be an investment firm or a credit institution in order to provide DEA.
- 4.7.4 A Member shall only be entitled to provide DEA provided that the Member has conducted a due diligence assessment on the prospective client to ensure that the Member meets the requirements set out in Commission Delegated Regulation (EU) 2017/589, and these member rules. The due diligence assessment on the client shall include

- the governance and ownership structure of the prospective DEA client;
- the type of strategies undertaken by the prospective DEA client;
- the operational set-up, the systems, the pre-trade and post-trade controls and the real time monitoring of the prospective DEA client,
- the responsibilities within the prospective DEA client for dealing with actions and errors;
- the historical trading pattern and behaviour of the prospective DEA client;
- the level of expected trading and order volume of the prospective DEA client;
- the ability of the prospective DEA client to meet its financial obligations to the Member; and
- the disciplinary history of the prospective DEA client, where available.

4.7.5 Sub-delegation of DEA requires prior written consent from the Exchange. Furthermore, in such case the Member shall ensure that a prospective DEA client has in place a due diligence framework that it is at least equivalent to section 4.7.4.

4.7.6 The Member has the same strict liability for Orders and Trades which are routed through DEA as for Orders and Trades which the Member places in any other manner. The Member is therefore also liable to sanctions in accordance with section 6.10.5 below.

4.7.7 The Member shall, prior to providing DEA, inform the Exchange of the intended provision of DEA. The Member take measures as instructed by the Exchange for the purpose of identifying the order flows of the DEA client.

4.7.8 The Exchange shall at all times be entitled to request information from the Member relating to the Member's provision of DEA.

4.7.9 The Exchange is entitled to suspend or withdraw the Member's permission to provide DEA at any time if the Exchange deems that the DEA client has infringed MiFID II, MiFIR, MAR, any applicable delegated regulations or these member rules.

4.7.10 The Exchange shall be entitled to carry out a review of the Member's compliance with Commission Delegated Regulation (EU) 2017/589.

## **4.8 Sponsored Access**

4.8.1 The rules in section 4.8 shall apply in addition to the rules set out in section 4.7 to a Member that provides sponsored access.

- 4.8.2 A Member shall only be entitled to provide sponsored access following prior written approval by the Exchange. Such approval may be granted following a written application from the Member containing at least the following:
- a description of the due diligence measures conducted on the client;
  - a description of the pre-trade and post-trade controls carried out by the Member on the client,
  - a description of the security measures in place for the client's connection to the Trading System, and
  - an undertaking, signed by an authorized signatory of the client, that the client undertakes to comply with any request for information by the Exchange in accordance with the member rules.
- 4.8.3 The Member shall at all times be exclusively entitled to set or modify the parameters that apply to the Member's pre-trade and post-trade controls on the DEA client.
- 4.8.4 A Member which provides sponsored access is responsible for all data traffic via the DEA client's connection to the Trading System.

## **5 Trading rules**

### **5.1 Trading hours**

5.1.1 Days on which the Exchange is open for trading and the applicable trading hours are determined by the Exchange from time to time and are made available in detail on the Exchange's website, at [www.ngm.se](http://www.ngm.se).

5.1.2 The Trading Day is divided into the following:

- Pre Open;
- Call Auction;
- Continuous Trading; and
- Post Open.

### **5.2 Types of Orders and placing Orders**

5.2.1 The Exchange's market model applicable from time to time describes the types of Orders which the Member must select between when placing an Order.

5.2.2 When placing an Order or Quote, the Member must provide all of the information which is necessary in order for the Exchange to comply with the requirements on maintenance of relevant data relating to orders in financial instruments pursuant to Commission Delegated Regulation (EU) 2017/580, including information on:

- identification of the relevant parties, including:
  - the Member of the Exchange who submitted the Order or Quote to the Exchange, identified as specified in field 1 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,
  - the person or computer algorithm within the Member that is responsible for the investment decision in relation to the Order or Quote, identified as specified in field 4 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,
  - the person or computer algorithm within the Member that is responsible for the execution of the Order or Quote, identified as specified in field 5 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,

- the Member who routed the Order or Quote on behalf of and in the name of another Member, identified as non-executing broker as specified in field 6 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,
- the client on whose behalf the Member submitted the Order or Quote to the Exchange, identified as specified in field 3 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,
- trading capacity of Members of the trading venue and liquidity provision activity, including:
  - the trading capacity in which the Member submits an Order or Quote shall be described as specified in field 7 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580,
  - the following Orders or Quotes shall be identified as specified in field 8 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580:
    - an Order or Quote submitted by a Member as a part of a Market Making Strategy pursuant to Articles 17 and 48 of Directive 20 of MiFID II,
    - an Order or Quote submitted by a Member as part of any other liquidity provision carried out on the basis of terms pre-determined either by the issuer of the instrument which is subject to the Order or Quote or by the Exchange.
- Validity periods and order restrictions shall be identified as specified in fields 10 and 11 of Table 2 of the Annex to Commission Delegated Regulation (EU) 2017/580, and the dates and times in respect of validity periods shall be identified as specified in field 12 of Table 2.

The Exchange may decide that some of the details required above may be provided to the Exchange at a later time than at the placing of an Order or Quote.

5.2.3 It must also be stated when placing an Order whether the Order relates to one or more of the Order categories below:

- Stabilisation;
- Acquisition or sale of a company's own shares;
- Algorithm.

- 5.2.4 The Order category “Liquidity Provision Activity” must be stated in cases where a Member is (i) acting as a Market Maker, (ii) acting as a Liquidity Provider or (iii) pursuing a Market Making Strategy.
- 5.2.5 The size of a reserve order (Iceberg Order, as defined in the Exchange’s market model from time to time) must, at the point of entry or following any amendment, be greater than or equal to EUR 10,000. Iceberg Orders not complying with this requirement will be rejected. Iceberg Orders may only be submitted in Equities and Non-Equities (as defined in section 2).
- 5.2.6 The Exchange shall, whenever the Exchange is in operation, monitor the relevant market as close to real time as possible for possible signs of disorderly trading. The Exchange may cancel or reject a placed Order if, in the Exchange’s opinion, the Order has no commercial meaning, is not regarded as being entered into on market terms, is not compliant with these member rules, does not pass through the Exchange’s pre-trade controls applicable from time to time, in case of malfunction of the Exchange’s mechanisms to manage volatility or of the operational functions of the Trading System.
- 5.2.7 A Member may not enter Orders which (i) have no commercial meaning, (ii) are not entered into on market terms, (iii) are intended to delay or prevent access to the Trading System by other Members or (iv) are intended to improperly affect the price structure of a financial instrument in the Trading System. “Market terms” means that an Order or Trade, upon a thorough examination, corresponds to the relevant price of the financial instrument. In making this examination, consideration is given, inter alia, to price changes during the current and previous Trading Days, changes in the price of comparable financial instruments, and special terms and conditions for an Order which has been placed or an executed Trade.

### **5.3 Negotiated Trades**

#### *Equities*

- 5.3.1 Except as set out in sections 5.3.5-5.3.7 below, a Negotiated Trade may only take place within the volume weighted Spread reflected in the Order Book at the Time of the Trade. Such Negotiated Trade may not be reported at a price which would trigger relevant mechanisms to manage volatility, as set out in the Exchange’s market model from time to time.
- 5.3.2 The volume cap mechanisms set out in section 5.3.3-5.3.4 shall only apply to Negotiated Trades in Liquid Equities carried out under section 5.3.1 (Relevant Negotiated Trades).

- 5.3.3 The percentage of Relevant Negotiated Trades carried out on the Exchange shall be limited to 4 % of the total volume of trading in the financial instrument on the Exchange over the previous 12 months. Consequently, the Exchange may reject reporting of Relevant Negotiated Trades, where the total volume of Relevant Negotiated Trades on the Exchange over the previous 12 months is no less than 3.75 % of the total volume of trading on the Exchange.
- 5.3.4 The percentage of Relevant Negotiated Trades, in overall European trading, shall be limited to 8 % of the total volume of trading in that financial instrument on all trading venues across the European Union over the previous 12 months. Consequently, the Exchange may reject reporting of Relevant Negotiated Trades, where the total volume of Relevant Negotiated Trades, in overall European trading over the previous 12 months is no less than 7.75 % of the total volume of trading in overall European trading.
- 5.3.5 A Negotiated Trade may be executed outside of the volume weighted Spread only where the transaction is equal to or larger than the minimum size of Order specified in Annex I (a Block Trade).
- 5.3.6 For Equities other than Liquid Equities, where there is no applicable volume weighted Spread, a Negotiated Trade may be reported to the Exchange where the price at the Time of the Trade does not deviate by more than 5 % from the previous Trade in the relevant Equity.
- 5.3.7 Notwithstanding the provisions above, Negotiated Trades may be executed outside of the volume weighted Spread following, in each case, consent from the Exchange, referred to as an Exchange Granted Trade (EGT). Such consent will be approved where the conditions set out in article 6 of Commission Delegated Regulation (EU) 2017/587 are met. The Member shall provide the Exchange with the information necessary in order for the Exchange to determine whether the applicable conditions are met.

## **5.4 Reporting of Negotiated Trades**

### *Equities*

- 5.4.1 A Member may only report a Negotiated Trade if the Member took an active part in carrying out the Trade, such as where a Member, on its own account or on behalf of a client, participated in creating the terms and conditions governing the Trade.
- 5.4.2 Reporting pursuant to section 5.4.1 must take place in the Trading System. Such report shall include the information and flags required pursuant to tables 2, 3 and 4 of Commission Delegated Regulation (EU) 2017/587, as briefly summarized in section 5.4.10.
- 5.4.3 Prior to reporting or amending a Negotiated Trade between two Members, the counterparty must have accepted the Negotiated Trade in order for the Trade to be registered.

- 5.4.4 In respect of a Negotiated Trade between a Member and a third party, the Member must report the Negotiated Trade as an Internal Trade.
- 5.4.5 Other than as set forth in section 5.4.6, Negotiated Trades which are executed during Continuous Trading or during Pre Open must be reported as close as real-time as is technically possible and in any case within one (1) minute of the Time of the Trade.
- 5.4.6 Negotiated Trades which take place within one (1) minute prior to the end of Continuous Trading and which, due to time constraints, a Member is unable to report during the Continuous Trading, must be reported during Pre Open on the following Trading Day.
- 5.4.7 Negotiated Trades which take place after Continuous Trading but before Pre Open on the following Trading Day must be reported during such Pre Open.
- 5.4.8 Where a Negotiated Trade cannot be reported during the specified time due to a technical error, the Negotiated Trade must be reported as soon as technically possible after the problem has been resolved.
- 5.4.9 A Member must immediately notify the Exchange by telephone or e-mail of any technical error as referred to in section 5.4.8.
- 5.4.10 The following information must be reported for a Negotiated Trade:
- Financial instrument (ISIN)
  - Quantity
  - Price
  - Time of the Trade
  - Purchase/sale
  - Trader
  - Type of Trade:
    - Negotiated Trade in Liquid Equities
    - Negotiated Trade in illiquid Equities
    - Negotiated Trade subject to conditions other than the current market price (EGT)
    - Amendment

- Counterparty
- Order category pursuant to section 5.2.3
- Customer reference (if available)

*Other financial instruments*

5.4.11 The Exchange does not permit reporting of Negotiated Trades in other financial instruments than Equities.

**5.5 Cancellation of a Trade**

5.5.1 The Exchange may cancel any Trade in the Trading System which is the result of an obvious error or mistake caused by a Member or which, in the Exchange's opinion, constitutes an obvious violation of the applicable provision of law, regulation, another enactment, or the Exchange's rules, or which has arisen due to disruptions in the technical system of the Member, a DEA client or the Exchange (including in cases of malfunctioning of the Exchange's mechanisms to manage volatility).

5.5.2 A request for cancellation by a Member on the grounds referred to in section 5.5.1 must be submitted for determination to the Exchange's market surveillance department not later than within ten (10) minutes of the Time of the Trade. If a cancellation request is submitted later than ten (10) minutes from the Time of the Trade, the Exchange may decide to cancel the Trade only if, in the Exchange's opinion, there is a special cause.

5.5.3 The cancellation of a Trade will be carried out as soon as possible during the relevant Trading Day.

5.5.4 Decisions as to whether a Trade is to be regarded as the result of an obvious error or mistake in accordance with section 5.5.1 are made by the Exchange.

5.5.5 The Exchange may also cancel a Trade where it is agreed upon between the affected Members. Such a cancellation request must be submitted to the Exchange by telephone or by e-mail as soon as possible, but no later than within sixty (60) minutes of the Time of the Trade.

5.5.6 Where a cancellation request in accordance with section 5.5.5 is submitted later than sixty (60) minutes after the Time of the Trade, the Trade can be cancelled only if there is a special cause.

5.5.7 The Exchange's guidelines for cancellation of trades applicable from time to time are made available on the Exchange's website, at [www.ngm.se](http://www.ngm.se). To the extent such guidelines deviate from the requirements set out in this section 5.5, the guidelines shall prevail.

## **5.6 Trading Halt (Suspension)**

5.6.1 The Exchange is entitled to implement a Trading Halt on a regulated market in accordance with Chapter 22 of the SMA. The rules regarding Trading Halt shall however also be applicable on the Exchange's MTF and SME markets. Trading in a financial instrument must immediately be suspended if the market does not have access to information about the financial instrument on equal terms, or does not have sufficient information about the issuer, or if the issuer's position is such that trading could harm the interests of investors, or if the financial instrument does not fulfil the requirements imposed under the Exchange's rules, or if there are other special causes pertaining to the issuer or to the financial instrument.

5.6.2 Where a decision has been made to suspend trading pursuant to section 5.6.1, during the period in which the Trading Halt is in effect, a Member may not trade or participate in trading in the financial instrument to which the Trading Halt relates or other financial instrument the pricing of which is materially dependent on the financial instrument to which the Trading Halt relates.

5.6.3 In addition to what is set out in section 5.6.1 above, the Exchange may also order a suspension of trading in the Trading System for other reasons, referred to as a technical Trading Halt. A technical Trading Halt may take place, for example, if incorrect information is attributed to the financial instrument or if a technical error affects the pricing of the financial instrument. A technical Trading Halt may relate to a particular financial instrument or a Market Segment.

5.6.4 Negotiated Trades in financial instruments which are subject to a Trading Halt in accordance with section 5.6.3 must be reported as soon as technically possible.

5.6.5 The Exchange will cancel or reject a placed Order where there is a Trading Halt pursuant to sections 5.6.1 and 5.6.3.

5.6.6 The Exchange may decide that trading after a Trading Halt shall be resumed pursuant to new Pre Open followed by a new Call Auction and subsequent Continuous Trading.

5.6.7 The Exchange shall where necessary announce a decision to order a Trading Halt or a decision to resume trading following a Trading Halt, as well as the forms thereof.

## **5.7 Suspended/limited trading due to extraordinary events or technical errors**

- 5.7.1 Upon the occurrence of events or circumstances which, in the opinion of the Exchange, effect the Exchange's ability to maintain well-functioning trading operations or if a technical system fails, giving rise to a risk of serious damage to the Trading System, the Exchange, a Member, a DEA Client or an issuer, the Exchange may take any of the following measures:
- Suspend trading;
  - Limit opportunities for trading;
  - Change the time for the opening or closing of trading.
- 5.7.2 The measures stated in section 5.7.1 may be limited to a particular Market Segment, a particular financial instrument, a particular Member, a particular DEA Client or a particular type of connection.
- 5.7.3 A suspension of trading may not continue longer than is unavoidably necessary. The following shall apply as guidelines in cases where a Market Maker or Liquidity Provider is not providing Quotes or Orders in a financial instrument:
- if less than 25 per cent of the market ("market" means the total average market share of Members of the Exchange during the most recent 12-month period) has no contact with the Trading System, trading will not be suspended;
  - if between 25 per cent and 75 per cent of the market has no contact with the Trading System, the Exchange shall in each particular case determine whether trading will continue or be suspended; and
  - if more than 75 per cent of the market has no contact with the Trading System, trading will be suspended unless the Exchange determines that well-functioning trading can nonetheless be maintained.
- 5.7.4 Trading will be resumed not later than the time at which Members representing 75 per cent of the market are once again in contact with the Trading System and the Exchange concludes that well-functioning trading can be maintained.
- 5.7.5 Where the Exchange has suspended trading, or where the Call Auction has been delayed by more than one (1) hour, the Exchange may extend the period of time for Continuous Trading on the relevant Trading Day.
- 5.7.6 An extension of Continuous Trading may not exceed the length of the period of suspension or delay in the Call Auction. However, an extension in trading hours may not be less than fifteen (15) minutes.

5.7.7 A Member shall be notified of any measures referred to in sections 5.7.1, 5.7.4 and 5.7.5 within a reasonable period of time prior to the implementation of the measure, provided that any delay in implementation of the measure does not entail a risk of increased defects/damage. The Member must be notified as soon as possible in the event of a risk of increased defects/damage. Where trading operations have been suspended, the resumption of trading may take place not earlier than ten (10) minutes after the Exchange has announced the lifting of suspension of trading, unless the Exchange has already previously notified the time of resumption of trading.

5.7.8 Measures referred to in sections 5.7.1, 5.7.4 or 5.7.5 shall be communicated to Members by means of a Market Notice. Where possible, Members shall inform their customers and DEA Clients.

## **5.8 Kill functionality**

5.8.1 The Exchange is entitled to operate a kill functionality to cancel unexecuted orders submitted by a Member or a DEA client under the following circumstances:

- upon request of the Member, or of the DEA client, where the Member or DEA Client is unable to delete its own Orders;
- where the Order Book contains erroneous duplicated Orders;
- following a suspension initiated by the Exchange or the competent authority;
- following a publication of an intention to withdraw an authorization or license by a competent authority;

5.8.2 A request by a Member or DEA client to operate the kill functionality in accordance with what is set out above shall be submitted to the Exchange by an approved trader or by the compliance function of the Member.

5.8.3 The Member shall be able to cancel immediately, as an emergency measure, any or all of its unexecuted Orders submitted.

## **5.9 Acquisition and sale of a company's own shares**

5.9.1 Rules regarding the acquisition and sale of a company's own shares which is not effected pursuant to Chapter 7, section 6 of the SMA, are found in the Exchange's rulebook for issuers. A Member acquiring or divesting a company's own shares on behalf of such a company shall be bound by the relevant provisions in the Exchange's rulebook for issuers.

## **5.10 Clearing and settlement**

- 5.10.1 The settlement schedule for all Trades shall be in accordance with best practices in the member state of the applicable clearing organisation. The parties to a Negotiated Trade are however entitled to agree upon a deviating settlement schedule.
- 5.10.2 Clearing and settlement of Trades shall take place in a clearing system recognised by the Exchange.
- 5.10.3 The relevant parts of The Swedish Securities Markets Association's rules governing trading in securities and settlement of transactions are applicable to all Trades.

## **6 Miscellaneous**

### **6.1 Fees**

- 6.1.1 The Member shall pay fees to the Exchange for the Exchange's services. The fees shall be those set forth in the fee list in effect from time to time as determined by the Exchange.
- 6.1.2 The Exchange is entitled to change the fees. Members shall be notified of such changes as soon as possible. Any increase in fees shall come into effect not earlier than thirty (30) days following such notice.
- 6.1.3 Any change in the fees must be notified in the manner and within the period of time set forth in section 6.4.2 below.
- 6.1.4 In the event a Member fails to pay a fee in accordance with the applicable fee list, the Exchange may order termination of the membership, whereupon the Member shall no longer be entitled to trade on the Exchange.

### **6.2 Limitations of liability**

- 6.2.1 The Exchange or Members shall under no circumstances be liable for any defects which have arisen due to events beyond their control (force majeure), such as war, lightning strikes, labour disputes, fire, electricity outages, changes in public authority regulations, etc., as well as data communication outages or loss of information or data.
- 6.2.2 In the event the Exchange is prevented, in whole or in part, from performing measures due to circumstances set forth in section 6.2.1, such performance may be postponed until such time as the impediment has ceased, where possible. In the event the Exchange is prevented from making or receiving payment as a consequence of such circumstances, the Exchange shall not be liable for penalty interest on arrears.

### **6.3 Liability**

- 6.3.1 A Member shall be liable for all events due to measures taken via the Member's connection to the Trading System, irrespective of whether or not such measure is taken by an authorized representative of the Member.
- 6.3.2 Neither the Exchange nor Members shall be liable for any damage arising from delays or other deficiencies which have arisen as a consequence of events set forth in section 6.2.1.

- 6.3.3 The Exchange is not liable for any damage (whether direct or indirect) as a consequence of a decision of the Exchange in accordance with these member rules. In addition, the Exchange shall under no circumstances be liable for any loss of profit or income or other indirect damage or consequential damage.
- 6.3.4 The Exchange does not warrant that the Trading System or other associated technical systems are free of defects or disruptions. The Exchange's liability vis-à-vis Members for defects and disruptions in the Trading System is to take reasonable measures to remedy defects or disruptions which have arisen.
- 6.3.5 The Exchange is not liable for damage which has arisen as a consequence of or in conjunction with the dissemination of public or non-public information. The Exchange is not obliged to notify or correct errors in public or non-public information unless, in the opinion of the Exchange, such notification or correction is reasonable and may be deemed to be of substantial importance to a Member.
- 6.3.6 The limitations of liability set forth in this section shall not apply in the event of gross negligence, fraud, or wilful neglect by either party.

#### **6.4 Amendments to NGM's member rules**

- 6.4.1 The Exchange reserves the right to make amendments or supplements to these member rules without the prior approval of Members. Members shall be bound by these member rules applicable from time to time. The Exchange must notify proposed amendments or supplements to the Swedish Securities Markets Association which, within ten (10) weekdays following such notification, shall be entitled to demand consultation on the amendment or supplement.
- 6.4.2 Unless otherwise stated, amendments and supplements to these member rules shall apply to Members thirty (30) days after the Exchange has notified the contact person specified by the Member in accordance with section 3.4.8 of the amendments or supplements.
- 6.4.3 Where amendments or supplements are required by legislation, regulations, a decision of a court, or a decision by other public authorities, or where the foregoing consultation is patently unnecessary, or where special cause exists in light of the market conditions, the Exchange may order that amendments or supplements enter into force at an earlier time, or that they come into force immediately without previous consultation. In such cases, the Swedish Securities Markets Association must be notified of the amendments or supplements.

#### **6.5 Right to use the Trading System**

- 6.5.1 The Exchange grants to each Member a non-exclusive and non-transferable right of use by virtue of an electronic connection to connect to the Trading System for the purpose of affording Members and DEA Clients access to the functions of the Trading System. No other right shall be granted or transferred.
- 6.5.2 Each Member shall, in its own time and at its own expense, develop and maintain necessary technical solutions and procedures concerning electronic communications with the Trading System. Such solutions must be in accordance with the Exchange's instructions and communication protocols in force from time to time.
- 6.5.3 Members may not afford any third party access to the functions of the Trading System or, without the Exchange's written approval, make any changes to, tamper with, or copy the Trading System's software or functions.

## **6.6 Intellectual property rights**

- 6.6.1 The Trading System consists of software and communication protocols developed by the Exchange. Copyright and all other intellectual property rights to the Exchange's software, communication protocols, member rules, documentation, indices, classifications, publications, market information, statistics, and all other documents produced by the Exchange, and any amendments or modifications thereto, vest in and shall continue to vest in, the Exchange.
- 6.6.2 The Exchange shall be entitled to use all information entered by a Member in the Trading System. The Exchange shall be exclusively entitled to all information relating to the Trading System, including an exclusive right to issue, publish, disseminate, and copy such information. The Exchange shall be entitled to disseminate this information to the general public.
- 6.6.3 A Member may not use the Exchange's trademarks, logos, or other intellectual property rights owned by the Exchange pursuant to section 6.6.1 above without the Exchange's written consent.

- 6.6.4 The Exchange undertakes to maintain necessary intellectual property rights to the Trading System and the functions of the system which Members are entitled to use pursuant to these member rules. In the event a claim is brought against a Member by any third party on the grounds that the Member has infringed the third party's intellectual property rights as a consequence of its use of the Trading System, or where the Member otherwise becomes aware that rights vested in the Exchange are being challenged, the Member shall be required without delay to notify the Exchange thereof. Any claim by a third party against the Member for infringement of intellectual property rights shall be handled by the Exchange at the Exchange's expense and the Member shall not be entitled to take part in negotiations or litigation unless so requested by the Exchange. In the event such request is made, the Member shall be obliged to assist the Exchange. Where it is held, by means of a final and binding judgment, that infringement has taken place, the Exchange will attempt to provide the equivalent functionality without causing an infringement. Where this is not possible, the Exchange shall be entitled to modify the Trading System in such a way that it no longer creates an infringement. Any Member that cannot reasonably accept such modification shall be entitled to terminate its Exchange membership.
- 6.6.5 The Exchange shall not be liable vis-à-vis the Member in respect of claims for infringement based on the use of the Trading System together with another system or product which is not part of the Trading System nor provided by the Exchange.
- 6.6.6 In the absence of intent or gross negligence, the Exchange's liability vis-à-vis a Member for claims for infringement is limited to the provisions of this section 6.6. A Member may not bring any other claims against the Exchange as a consequence thereof.
- 6.7 Termination of membership, etc.**
- 6.7.1 Membership must be terminated in writing. The notice period is thirty (30) days.
- 6.7.2 The Exchange may terminate a Member's membership immediately where the Member no longer fulfils the requirements applicable pursuant to these rules or as determined by the Exchange's disciplinary committee.
- 6.7.3 The Exchange may also terminate membership immediately where a Member suspends payments, applies for a company reorganisation, commences bankruptcy proceedings, or otherwise indicates insolvency or a risk of insolvency.
- 6.7.4 The Exchange may order that a Member be suspended from the Trading System if the Exchange suspects that the Member is no longer suitable, such as where the Member is suspended from other marketplaces or may otherwise be deemed unsuitable, is breaching capacity limits or to contributes to disorderly trading.

6.7.5 A Member may be liable for sanctions in accordance with section 6.10.2 after termination of membership where the violation occurred during the period of membership and the violation was notified to the disciplinary committee within one year of the occurrence of the violation.

6.7.6 Members shall be bound by the trading commitments which were made prior to termination of their membership.

## **6.8 Confidentiality by Members**

6.8.1 No Member may disclose information to any third party which is not in the public domain or which is only available to Members of the Exchange.

6.8.2 Members shall ensure that their employees and contractors are bound by and observe confidentiality as regards confidential information which they have received regarding the Exchange or its customers. The duty of confidentiality shall apply notwithstanding the termination of the employment relationship or the completion of the service.

6.8.3 The above confidentiality provisions shall continue to apply after the termination of membership.

## **6.9 Protection of personal data**

6.9.1 The terms “controller”, “data subject”, “personal data”, “processor” and other terms relating to the processing of personal data used but not defined herein shall have the meaning assigned to them in the EU Data Protection Laws.

6.9.2 The Exchange will as a result of the Member’s use of the Trading System receive personal data from the Member (see not least e.g. section 5.2.2). Such personal data may relate to employees, clients of the Member as well as other physical persons. The Member shall not make available personal data to the Exchange for processing unless the Member has ascertained that it meets all requirements and has taken all necessary measures pursuant to EU Data Protection Laws and other applicable laws as pertaining to such processing. The Exchange and Member, respectively, undertake to co-operate as required to secure that the Member and the Exchange respectively are able to fulfil the requirements upon them under EU Data Protection Laws and other applicable laws in relation to processing of personal data occurring as a result of the parties dealings.

6.9.3 The Member shall, upon request, to the Exchange provide the information reasonably required by the Exchange to demonstrate the Member’s and the Exchange’s respective compliance with EU Data Protection Laws and other applicable laws.

- 6.9.4 The Member hereby appoints the Exchange as its processor and instructs the Exchange to process any and all personal data submitted by the Member into the Trading System or generated therein as a result of the Member's utilisation of the Trading System. The specific circumstances of the processing of personal data on behalf of the Member, such as the subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data and categories of data subjects, are set out in Annex II.
- 6.9.5 The provisions in Annex II (hereinafter herein referred to as the "Data Processor Agreement" or "DPA") aim to fulfil the requirement of a written agreement between the Member as controller and the Exchange as processor pertaining to the processing set out in section 6.9.4 above.
- 6.9.6 The Member acknowledges and accepts that any activities by the Exchange or its contractors to assist the Member in ensuring compliance pertaining to processing of personal data shall be at the Member's expense and compensated on time and material basis according to from the time to time by the Exchange published prices here for unless the Member can demonstrate that the activities undertaken by the Exchange and its contractors where necessary to deal with a complaint, request or order culpably caused by the Exchange.
- 6.9.7 The Member hereby acknowledges that in addition to, and notwithstanding, the in section 6.9.4 to 6.9.6 above set out, the Exchange shall as a controller store and otherwise process the personal data submitted by the Member into the Trading System, or generated therein, as required for the Exchange to fulfil its obligations in law towards to the Swedish Financial Supervisory Authority, ESMA and to any other third party in accordance with legislation, regulations, and generally accepted practices in the securities market. For example, the Exchange is required to keep records of each order submitted into the Trading System at the disposal of the Swedish Financial Supervisory Authority and ESMA. The Member shall inform the data subjects of the fact that the Exchange is a recipient of the data subject's personal data. Furthermore, should the Exchange at any time be required to inform any data subject about the Exchange's processing pursuant to this section 6.9.7 the Member undertakes to, without cost for the Exchange, provide the information to the data subject made available by the Exchange to the Member.

## **6.10 Sanctions**

- 6.10.1 In the event of any breach of these member rules by a Member, the Exchange may order that the Member be suspended from the Trading System for a fixed period of time and deprive the Member of the right to participate in trading.

- 6.10.2 Where a Member fails to comply with any law, regulation, generally accepted practices on the securities market, or these member rules, the Exchange's disciplinary committee may, if the violation is serious, order termination of the membership. Where the disciplinary committee deems that the violation is not sufficiently serious to warrant termination of membership, the disciplinary committee may order the Member to pay a special fee to the Exchange of a minimum of one hundred thousand kronor (SEK 100,000) and a maximum of ten million kronor (SEK 10,000,000). In determining the amount of the special fee, the nature of the violation and other significant circumstances shall be taken into account. Where the disciplinary committee deems that the violation does not warrant the imposition of a special fee, the disciplinary committee may instead issue a warning to the Member.
- 6.10.3 Where a registered trader is held liable for a violation of a rule or otherwise appears to be unsuitable as a trader, the Exchange's disciplinary committee may order that the trader be deregistered and not permitted to participate in trading thereafter. Where the violation is minor or excusable, the disciplinary committee may issue a warning or refrain entirely from issuing any penalty. The disciplinary committee may also order that the trader be suspended from trading for a fixed period of time up to, but not exceeding, six (6) months. The Member and the trader shall be afforded the opportunity to be heard in respect of any matter concerning the trader being deregistered.
- 6.10.4 If special cause exists, the Exchange may order that a trader be suspended pending a decision of the disciplinary committee. Where possible, a decision to suspend a trader must be made in consultation with the Member.
- 6.10.5 If a DEA Client fails to comply with law, regulation, generally accepted practices on the securities market or these member rules, the Member shall be liable for the sanctions set out above. For the avoidance of doubt, the Member shall also be liable in the same manner in the event of a client's sub-delegation of DEA.

## **6.11 Governing law and disputes**

- 6.11.1 These member rules shall be governed by and construed in accordance with the substantive law of Sweden, without giving effect to any choice-of-law rules that may require the application of the law of another jurisdiction. Disputes between a Member and the Exchange arising from these member rules shall be conclusively settled by arbitration pursuant to the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration tribunal shall be composed of three arbitrators. The arbitration proceedings shall take place in Stockholm, Sweden.
- 6.11.2 All Orders and Trades are governed by Swedish Law. Disputes between two Members regarding trading on the Exchange shall be settled by Swedish courts, Stockholm District Court (Sw. *Stockholms tingsrätt*) being the court of first instance.



## Annex I

### Block Trades thresholds for shares and depositary receipts

Average daily turnover (ADT) in EUR	ADT < 50,000	50,000 ≤ ADT < 100,000	100,000 ≤ ADT < 500,000	500,000 ≤ ADT < 1,000,000	Continued
Minimum size of order qualifying as large in scale compared with normal market size in EUR	15,000	30,000	60,000	100,000	Continued.
Average daily turnover (ADT) in EUR	1,000,000 ≤ ADT < 5,000,000	5,000,000 ≤ ADT < 25,000,000	25,000,000 ≤ ADT < 50,000,000	50,000,000 ≤ ADT < 100,000,000	ADT ≥ 100,000,000
Minimum size of order qualifying as large in scale compared with normal market size in EUR	200,000	300,000	400,000	500,000	650,000

### Block Trade thresholds for ETFs

Where the order is equal to or larger than EUR 1,000,000, it shall constitute a Block Trade.

### Block Trade thresholds for certificates and other similar financial instruments

# Nordic Growth Market

Börse Stuttgart Group

Average daily turnover (ADT) in EUR	ADT < 50 000	ADT ≥ 50 000
Minimum size of orders qualifying as large in scale compared with normal market size in EUR	15 000	30 000

## **Annex II**

### **Data Processor Agreement**

- A) The Exchange as a processor undertakes to process the personal data only on documented instructions from the Member unless required to do so by EU or Swedish law and see to that any natural person acting under the authority of the Exchange who has access to personal data processed on behalf of the Member does not process such data except on, and according to, the instructions from the Member. The Member declares that this Data Processor Agreement along with the Member's use and configuration of features in the Trading System amounts to an exhaustive description of all instructions to the Exchange as regards the Exchange's processing of personal data on behalf of the Member as a result of its use of the Trading System. The Member may provide further instructions to the Exchange if required due to applicable law; such instructions to be handled through written notice to the Exchange (for the attention of the Legal Department). The Exchange is entitled to refuse any requests, instructions or claims provided directly by an end user of the Trading System or any other data subject unless that data subject under the applicable law is entitled to exercise a right granted under this DPA directly vis-à-vis the Exchange or a contractor of the Exchange, in which case the data subject shall be entitled to do so.
- B) The Exchange as a processor undertakes to ensure that persons authorized to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality.
- C) The Exchange as a processor undertakes to take the measures required to implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk, taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons. The Exchange and the Member have agreed to implement the technical and organizational measures described under "Technical and organizational measures" of this DPA, which both parties hereby agree to be adequate and suitable for the data processing activities subject to this DPA. The Exchange shall have the right to implement adequate alternative measures to those set forth under "Technical and organizational measures", as long as the security level of the measures is maintained. The technical and organizational measures are subject to technical progress and development and the Exchange may update those measures as required to meet industry standards for similar services from time to time.

- D) The Parties hereby agree upon the engagement of subcontractors by the Exchange for all, or certain, of the Exchange's data processing operations hereunder. Upon the Member's request, the Exchange shall without unreasonable delay provide a list of subcontractors commissioned by the Exchange and the location of such subcontractors. Removal or addition of new subcontractors shall be subject to the following process:
- (i) the Exchange as a processor undertakes to notify the Member with at least seven (7) days prior notice before authorizing any new subcontractor to access or process the personal data processed on its behalf either by sending a notice to the Member's registered contact person or by notifying the Member about changes on a website that lists all current subcontractors which also shall be deemed processors hereunder,
  - (ii) if the Member does not raise reasonable objections in writing within this seven (7) days period, this shall be deemed as approval and agreement on the new subcontractor by the Member, provided that the Exchange has informed the Member in the notification about this consequence,
  - (iii) the Member has the right to object to the addition or replacement of a subcontractor, provided the Member has reasonable cause, e.g. that a replacement subcontractor is unlikely to meet requirements in this DPA and/or EU Data Protection Laws or that the Member has previously had significant problems or dissatisfaction with such supplier,
  - (iv) the Exchange shall be entitled to perform emergency replacements of subcontractors and in such case the Exchange shall inform the Member of the emergency replacement without undue delay and the approval process as described in (i) to (iii) above shall apply *mutatis mutandis* after the Member's receipt of the notification, and
  - (v) In case this DPA or any other data protection agreement entered into in relation to this DPA (such as EU Standard Contractual Clauses) provides rights to the Member *vis-à-vis* a contractor to the Exchange, the Member shall exercise these rights via the Exchange in the Member's own name. The Member hereby entitles the Exchange in such circumstances to act on the Member's behalf *vis-à-vis* such contractor.

- E) A party shall notify the other party without undue delay about complaints or requests from users or any other data subjects whose personal data is processed under this DPA (e.g. regarding the rectification, erasure and restrictions of processing of personal data). The Exchange shall, at its sole discretion, either (i) provide the Member with the ability to rectify, erase or restrict the processing of the personal data processed on its behalf via the functionalities of the Trading System, or (ii) rectify, erase or restrict the processing of the personal data processed on the Member's behalf as agreed with the Member from time to time. If either requires the Member's support, it shall provide all necessary support. The Member accepts and acknowledges that any rectification, erasure, restriction of data or other action to respond to requests for exercising data subject's rights may affect which data and results that the Member can be provided with and the Member hereby waives any and all rights or remedies in relation to the Exchange, and thus releases the Exchange from any and all liability, due to such consequences from the Member's rectification, erasure, restriction of data or other actions to respond to requests for exercising data subject's rights. The Exchange hereby declares that in addition to the said alternatives (i and ii) in this section E it shall also assist the Member in other manner to fulfil the Exchange's obligation in law, taking into account the nature of the processing, to assist by appropriate technical and organizational measures, insofar as this is possible, for the fulfilment of the Member's obligation as controller to respond to requests for exercising the data subject's rights. The Member acknowledges that should the Member require any such additional assistance; such requests for assistance shall be provided through a written notice to the Exchange (for the attention of the Legal Department).
- F) The Exchange shall assist the Member pertaining to security of processing, notification of a personal data breach to applicable supervisory authorities and data subjects and any data protection impact assessment deemed necessary. Each party shall in relation to the other provide reasonable (i) cooperation in the investigation of such events, (ii) provide reasonable support in assisting a party to fulfil its security breach notification obligation under applicable law and (iii) initiate reasonable remedy measures. Furthermore, each party shall notify the other party without undue delay upon becoming aware of (i) violations against EU Data Protection Laws or other laws pertaining to the processing of personal data in connection with the Trading System, (ii) any non-compliance with the provisions of this DPA (iii) any personal data breach related to the personal data processed on the Member's behalf.
- G) The Exchange shall after the end of the provision of services to the Member delete all the personal data processed on the Member's behalf, or if the Member chooses otherwise in accordance with its rights as controller return the personal data in question to the Member, unless EU Union or Swedish law requires storage of the personal data.

- H) The Exchange shall, following entry into force of the General Data Protection Regulation, make available to the Member all information necessary to demonstrate compliance with the obligations laid down in the General Data Protection Regulation Article 28 and allow for and contribute to audits, including inspections, conducted by the Member as controller or another auditor mandated by the controller. A party shall notify the other party without undue delay about orders or requests pertaining to processing of personal data under this DPA by a competent supervisory authority or court. The Exchange shall be discharged of its obligation to inform or notify the Member pursuant to this DPA when the Exchange has provided required information or notice to an end user of the Trading System or other data subject.
- I) The Exchange shall only process the personal data covered by this DPA on equipment that is physically located within the EU/EEA, unless otherwise has been permitted in writing by the Member in advance.

### **Technical and organizational measures**

The following sets out the details concerning the processing of the personal data to be processed pursuant to this DPA.

- 1. The personal data processed under this DPA will be processed for the purposes of providing the Trading System and related services as determined by the Member rules applicable from time to time, including:
  - a. facilitating the preparation and maintenance of trading accounts for new and existing trading participants (Members of the Exchange),
  - b. facilitating contact between the Exchange and registered traders and technical contacts of the Member in case of e.g. technical issues, and
  - c. facilitating the reporting obligations and order record keeping-obligations imposed on the Exchange in accordance with regulatory requirements.
- 2. The personal data processed under this DPA concern the following categories of data:
  - a. names,
  - b. personal identification number / social security number,
  - c. e-mail addresses, and

- d. telephone numbers.
3. The personal data collected and processed concern the following categories of data subjects:
  - a. registered traders of the Member,
  - b. technical contacts of the Member,
  - c. compliance officer of the Member,
  - d. chief technical officer of the Member,
  - e. head of trading of the Member, and
  - f. clients of the Member.
4. A “data processing operation” means an operation (or set of operations) performed upon personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction. The data processing operations of personal data include:
  - a. collection,
  - b. recording,
  - c. storage,
  - d. use,
  - e. disclosure by transmission,
  - f. restriction,
  - g. erasure, and
  - h. destruction.
5. The following security measures are implemented to protect personal data:
  - a. Transfer of personal data is managed using encrypted communication channels over either non-public networks or VPN and access is protected by firewalls.

- b. The Exchange stores personal data on the Exchange's dedicated servers and physical media (tapes). The servers and backups of physical media are located in the Exchange's cabinets in data center on servers that are only accessible by the Exchange's staff. When backups are stored on tape, the media is kept in locked safes or other locked containers.
- c. Servers where personal data is stored are protected by firewalls owned and operated by the Exchange.
- d. Access to premises where personal data is stored is protected by the physical security provided by the Data Centre operators, as approved by the Exchange, including, but not limited to, physical barriers to entry, round-the-clock surveillance and posted or patrolling staff.

Permanent access to the Exchange's data centre is restricted to the Exchange's staff pre-authorised by the regional data centre and holding valid access credentials issued upon request by the Exchange's site manager.

The Exchange's servers are enclosed in locked cabinets, only accessible to the Exchange's personnel authorized by the Exchange's site manager. Access to the Exchange's cabinets is protected by locks and access to keys, codes or electronic means of access is restricted to personnel authorized by the Exchange's site manager.

Visitors must at all times display proof of valid access credentials on their person while on the premises.