



# **RULEBOOK**

**FOR**

**TRADING AT**

**IMAREX – INTERNATIONAL MARITIME EXCHANGE ASA**

**Effective Date : 14 January 2008**

## TABLE OF CONTENTS

1	Introduction.....	3
2	Membership and Access Requirements .....	10
3	Listing Rules .....	19
4	Trading Rules.....	21
5	Liabilities .....	31
6	Miscellaneous Provisions.....	32
7	Dispute resolution .....	36

## Appendices:

1. Trading Membership Agreement
2. Trading Membership Application Form
3. Imarex Trading Calendar and opening hours
4. Fee list
5. Product Specification
6. Relevant Clearing House

## **1 INTRODUCTION**

### **1.1 Overview**

- 1.1.1 Imarex operates an online electronic exchange (“Trayport”) for electronic trading in derivatives contracts.
- 1.1.2 Imarex offers technical support, including an Order registration service.
- 1.1.3 Imarex provides market place services in Listed Products and Non-Listed Products and market information through the MPS.
- 1.1.4 The Relevant Clearing House provides Clearing services for trades in Listed Products matched in Trayport or by the MPS or otherwise approved by the Relevant Clearing House for Clearing.
- 1.1.5 The services provided by Imarex under the Rulebook are open to persons who qualify as Trading Members.
- 1.1.6 Imarex is an Exempt Commercial Market within the meaning of the US Commodities Exchange Act.
- 1.1.7 Imarex is regulated by The Financial Services Authority of Norway (Kredittilsynet).

### **1.2 The Rulebook**

- 1.2.1 This Rulebook applies to Trading Members in respect of their participation in the Markets and use of the services of Imarex.
- 1.2.2 References to the Rulebook or the Rules are references to this Rulebook together with, as the context admits, the Appendices, the User Guide, and the Notices all as supplemented or amended from time to time.
- 1.2.3 The Rulebook supplements the Trading Membership Agreement entered into between each Trading Member and Imarex. Each Trading Member must be party to a Trading Membership Agreement in order to qualify as a Trading Member. Under this agreement, each Trading Member accepts and agrees to be bound by and to observe the terms of the Rulebook as it applies from time

to time, and together these documents constitute a legally binding contractual relationship between each Trading Member and Imarex.

- 1.2.4 The Product Specifications in Appendix 5 set out more detailed terms for each Product.
- 1.2.5 Subject to Clauses 3.1.5 and 6.6, Imarex may amend the Rulebook at any time in a manner which it reasonably considers appropriate with a view to the fair and orderly operation of the Markets and Imarex’s legal and regulatory obligations. Amendments to the Rules will be published by e-mail to the Member’s Responsible Person(s) by means of a Notice from time to time. In addition the Notice will be distributed on the Imarex Website. Imarex will, where practicable, give reasonable notice of such amendments. Changes to the Rules shall become effective on publication on the Website or, if later, at the time stated in the relevant Notice, unless otherwise determined by Imarex. Members shall be treated as accepting the changes to these Rules at the time at which they first use the services of Imarex after such changes take effect and shall be bound by all amendments to the Rulebook notwithstanding that they may not have received the Notice notifying them of the amendment.
- 1.2.6 Imarex may, at its discretion, waive the enforcement of these Rules.

### **1.3 Definitions**

For the purpose of these Rules, the following words and expressions shall bear the meanings ascribed to them below:

“Cleared Contract”	a Contract that the Relevant Clearing House has approved for Clearing.
“Clearing”	the Clearing of Listed Products and Non-Listed Products as contemplated by Clause 4.7; and “Clear” and “Cleared” shall be interpreted accordingly.
“Clearing Member”	a Trading Member who is admitted to membership of the Relevant Clearing House under a Clearing Membership Agreement.

“Clearing Membership Agreement”	an agreement entered into between the Relevant Clearing House and a Clearing Member under which, amongst other things, the Clearing Member is admitted to membership of the Relevant Clearing House and agrees to be the contracting counterparty to the Relevant Clearing House under Cleared Contracts executed by the Clearing Member.
“Competent Body”	any Norwegian or other government or governmental, quasi-governmental, supranational, statutory or regulatory body, court, trade agency, professional association, or other person or body having regulatory, supervisory or disciplinary jurisdiction over the conduct of commodity or derivatives business of (so far as relevant in the context) Imarex, the Relevant Clearing House or a Member.
“Conditional Order”	an Order which has set conditions as prerequisites for Matching.
“Confidential Information”	has the meaning given to that term in Clause 6.4.3.
“Contract”	either a Cleared Contract or an Uncleared Contract in a Listed Product or a Non-Listed Product.
“Credit Institution”	a credit institution within the meaning of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006.
“EEA”	the European Economic Area.
“Enactment”	any legislation, law, directive, regulation or regulatory rule which has effect in any jurisdiction.

“Imarex”	International Maritime Exchange ASA.
“Imarex Bulletin Board”	the bulletin board operated by Imarex to facilitate the MPS.
“Imarex Market Place Service” or “MPS”	the manual trading service operated by Imarex providing support to Trading Members.
“Imarex Personnel”	the officers, employees and agents of Imarex from time to time.
“Imarex Trading Calendar”	the calendar defining Trading Days set out in Appendix 3 as amended from time to time.
“Interest Order”	a non-binding indication of interest given to the MPS.
“Investment Firm”	an investment firm within the meaning of Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004.
“Listed Product”	a product admitted to trading in Trayport.
“Markets”	the markets operated by Imarex from time to time, including Trayport and MPS; and “Market” shall mean any of the Markets operated by Imarex from time to time.
“Matching”	the matching of corresponding buy and sell Orders by Trayport and MPS; and “Match” shall be interpreted accordingly.
“Material”	all material displayed on the Website from time to time.

“Member”	a Trading Member or (as the context may require) a Trading Member acting in its capacity as a Clearing Member; and “Membership” shall be interpreted accordingly.
“Member’s Group”	a Member’s affiliates, their employees, agents and consultants.
“MPS”	see Imarex Market Place Service.
“Net Capital”	shareholders' funds or equivalent calculated in accordance with generally accepted accounting principles applicable in the jurisdiction of residence or establishment of a Member.
“Non-Listed Products”	products other than Listed Products.
“Notice”	a notice disseminated by Imarex to Members on the Website.
“Order”	a standing instruction to buy or to sell through Imarex.
“Order-book”	the electronic record of Orders on Trayport.
“Product”	a Listed Product or Non-Listed Product.
“Product Specification”	a specification of standard terms to which particular Contracts are subject.
“Relevant Clearing House”	any clearing house which is for the time being appointed by Imarex as specified from time to time in Appendix 6.

“Responsible Person”	a person responsible for certain aspects of Membership in accordance with Clause 2.2.10.
“Rulebook”	the rules of Imarex as amended from time to time, and “Rules” shall be interpreted accordingly.
“Surveillance Committee”	the committee operated by Imarex to take action on attempts at market manipulation or undue trading practices as described in Clause 4.6.
“Trader”	a person employed by a Member and approved to trade for the account of the Member on the Markets.
“Trading Day”	a day on which Imarex is open for trading.
“Trading Hours”	the hours in which one or more of the Markets and the Relevant Clearing House are open as defined in the Trading Calendar.
“Trading Member”	a person who has entered into a Trading Membership Agreement with Imarex and who has been admitted to Trading Membership in accordance with Chapter 2; and “Trading Membership” shall be interpreted accordingly.
“Trading Membership Agreement”	an agreement in the form attached as Appendix 1 as amended from time to time.
“Trading Membership Requirements”	the requirements for Trading Membership set out or referred to in Clause 2.1.6.
“Trading Representative”	a representative of a Member as further described in Clause 2.2.

“Trayport”	Imarex’s electronic trading system for trading in Listed Products.
“Uncleared Contract”	a Contract other than a Cleared Contract.
“Underlying”	the asset or index to which the relevant Product is linked, being the index or future contract which is specified as such in the Product Specification for the Product and which is used for settlement of Contracts.
“USD”	US dollars.
“User Guide”	procedures for trading through Imarex.
“Website”	the website operated by Imarex from time to time.

## **1.4 General Interpretation**

1.4.1 In this Rulebook:

- (a) references to a person include a body corporate and an unincorporated association of persons; and
- (b) references to a Member include references to the successors or assigns (immediate or otherwise) of that party.

1.4.2 In this Rulebook any reference, express or implied, to an Enactment includes references to:

- (a) that Enactment as re-enacted, amended, extended or applied by or under any other Enactment (before or after the date of this Rulebook);
- (b) any Enactment which that Enactment re-enacts (with or without modification); and
- (c) any subordinate legislation made (before or after the date of this Rulebook) under that Enactment, as re-enacted, amended, extended or applied as described in paragraph (a) above, or under any Enactment referred to in paragraph (b) above.

1.4.3 In this Rulebook references to writing shall be construed as including reference to any mode of representing words or data in a visible form.

1.4.4 Any words importing the singular shall admit the plural where the context admits and vice versa. Any words importing the masculine gender shall include the feminine gender.

1.4.5 Clauses 1.4.1 to 1.4.4 above apply unless the contrary intention appears.

1.4.6 The headings in this Rulebook do not affect its interpretation.

## **2 MEMBERSHIP AND ACCESS REQUIREMENTS**

### **2.1 Trading Membership**

2.1.1 No person other than a Trading Member may trade in Products on the Markets.

- 2.1.2 Imarex shall admit to Trading Membership any person who at all times meets the Trading Membership Requirements.
- 2.1.3 No person other than a Clearing Member may trade in Listed Products through Trayport or otherwise enter into Cleared Contracts.
- 2.1.4 An application for Trading Membership shall be in such form as Imarex shall prescribe from time to time on its Website.
- 2.1.5 On conclusion of a Trading Membership Agreement, an applicant shall, subject to continued compliance with the Trading Membership Requirements, become a Trading Member.
- 2.1.6 The Trading Membership Requirements are as follows :
- (a) a Trading Member must have entered into a Trading Membership Agreement with Imarex and must at all times comply with its obligations under the Trading Membership Agreement;
  - (b) a Trading Member that is not an EEA Investment Firm or EEA Credit Institution must at all times have a registered place of business in the jurisdiction in which the trading and Clearing activities of the Trading Member will be conducted;
  - (c) a Trading Member must at all times be appropriately authorised, or sufficiently regulated in respect of capital adequacy, fitness and probity, and Imarex shall consider a person to be appropriately authorised or sufficiently regulated for this purpose if it is:
    - (i) an EEA Investment Firm or EEA Credit Institution which has appropriately exercised a right under a single market directive applicable in the EEA to establish a branch or provide services in Norway; or
    - (ii) a person other than an EEA Investment Firm or EEA Credit Institution which has such licences, registrations, authorisations and approvals required by any Enactment in order for it to trade on the Markets;
  - (d) a Trading Member must at all times have:

- (i) adequate trade execution, recording, reporting and settlement procedures and systems;
  - (ii) sufficient staff with adequate knowledge, experience, training and competence; and
  - (iii) adequate internal procedures and controls;
- (e) a Trading Member must at all times have one or more Traders;
- (f) a Trading Member must at all times have appointed a Responsible Person who is identified to Imarex;
- (g) a Trading Member that proposes to trade in Listed Products or otherwise enter into Cleared Contracts must all times be a Clearing Member;
- (h) a Trading Member must all times comply (and take all reasonable steps to ensure that its employees, officers or agents at all times comply) with all applicable obligations arising under this Rulebook and any conduct of such employee, officer or agent shall be treated as the conduct of the Trading Member; and
- (i) such other requirements or directions as may be imposed or made by Imarex from time to time with a view to protecting the integrity, security or reputation of the Markets, including any requirement for a satisfactory legal opinion as provided in Clause 2.1.7 and the access requirements set out in Clause 2.3.

2.1.7 As part of the application procedure, Imarex may request such information and documentation as it may reasonably require to determine whether the Trading Membership Requirements are satisfied. Before admitting an applicant to Trading Membership, Imarex may require the applicant to provide a satisfactory legal opinion on such matters pertaining to Trading Membership as it considers appropriate including (without limitation) that the applicant is legally entitled to trade and/or Clear Contracts, that the Trading Membership Agreement and/or Clearing Membership Agreement has been signed and delivered by a duly appointed representative, and that Contracts and/or the default arrangements set out in this Rulebook or the rules of the Relevant Clearing House are valid and legally binding on the applicant.

2.1.8 Imarex may at any time request and obtain credit information and otherwise monitor a Member's financial standing and soundness, level of competence and other matters relevant (in the reasonable opinion of Imarex) to the fitness of a Member and its Traders and/or Trading Representatives to trade on the Markets. Each applicant and each Member agrees promptly to provide, or procure the provision of, such information and documents as Imarex may reasonably request, and that Imarex, without being prevented by any duty of confidentiality by any holder of information, may obtain such information and documents (where available) from a Member's agents, including any settlement bank used by it under its Clearing arrangements with the Relevant Clearing House.

2.1.9 Each Member represents and warrants on a continuing basis for the benefit of Imarex as follows:

- (a) it has all necessary power and authority to execute and perform each Contract and comply with its obligations under the Rules;
- (b) the Rulebook and the terms of each Contract constitute its legal, valid and binding obligation, enforceable against it in accordance with their terms;
- (c) neither the execution of the Trading Membership Agreement or the Clearing Membership Agreement to which it is party nor performance under such agreement or the Rules by the Member violates any Enactment or any agreement, document or instrument binding on or applicable to it; and
- (d) it has any and all licences, consents, registrations, authorisations or other similar approvals which are required under Enactments in order to enable it to participate as a Member in accordance with the Rules, execute Contracts through the Markets and perform its obligations to its counterparties pursuant to such Contracts.

2.1.10 A Member shall immediately notify Imarex in writing: (i) of the occurrence of any of the following events; or (ii) as soon as the Member has reason to believe any of the following events may occur:

- (a) any failure to comply with the Trading Membership Requirements;
- (b) any breach of the Rules by the Member, or any breach by it of the rules or procedures of the Relevant Clearing House or its Clearing Membership Agreement;

- (c) any breach of the Rules by another Member;
- (d) any appointment or resignation of a Trader appointed by the Member;
- (e) any merger, de-merger, or other business re-organisation of the Member affecting 33% or more of the value of the Net Capital of the Member;
- (f) the presentation of a petition for the winding up of the Member, the appointment of a receiver, administrator, or trustee of the Member and/or its assets, the making of a composition or arrangement with creditors of the Member, (where the Member is a partnership) the application or giving of notice to dissolve the Member, or any action by or omission of the Member to authorise, institute or commence any such action (or any similar event under any applicable Enactment);
- (g) the Member being unable to pay its debts as they fall due, admitting its inability to pay its debts as they fall due, or being deemed under applicable law to be unable to pay its debts as they fall due;
- (h) any disciplinary, criminal, civil or regulatory proceedings against any of the Member, its Traders or Trading Representative which could result in its failure to comply with the Rules;
- (i) any breach of the representations or warranties of the Member under this Chapter;
- (j) the Relevant Clearing House declares the Member a defaulter, or gives notice that it proposes to declare the Member a defaulter, under and in accordance with the rules or procedures of the Relevant Clearing House.

2.1.11 If :

- (a) a Member ceases to fulfil the Trading Membership Requirements;
- (b) Imarex has reason to believe that a Member has ceased or is likely to cease to fulfil such requirements; or

- (c) any of the events listed in sub-paragraphs (a), (b), (e), (f), (g) (h), (i) or (j) of Clause 2.1.10 occurs or Imarex has reason to believe that any such event may occur,

Imarex may suspend or revoke the Trading Membership of such Member, remove all Orders of such Member from Trayport and MPS, and exercise any other powers available to it under this Rulebook against such Member.

2.1.12 A Member may resign its Trading Membership on one month's written notice to Imarex. Notwithstanding the foregoing, Imarex may delay the effective date of resignation in its discretion if it considers such delay to be in the interests of the Markets or if the Member has any outstanding obligations to Imarex or any third party arising by virtue of its participation in the Markets.

2.1.13 A Member shall not, in respect of its business on the Markets:

- (a) do any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price or value of, any Product;
- (b) cause a fictitious trade or a false price to be input into Trayport;
- (c) do any act or engage in any course of conduct which is likely to damage the fairness or integrity of the Markets; or
- (d) do any act or engage in any course of conduct which causes, or contributes to, a breach of the Rules by another Member.

2.1.14 Imarex may request information from a Member, or interview any employee, officer or agent of a Member, about any matter which it considers may relate to the Rules or to the fairness or integrity of the Markets.

2.1.15 A Member shall not knowingly provide Imarex with any information (including information for the purpose of becoming a Member) which is false, misleading or inaccurate and shall comply or procure compliance with a request by Imarex for explanation or verification of information provided to Imarex.

2.1.16 A Member shall provide such information in its possession as Imarex may require from time to time in order for Imarex to meet its obligations under any Enactment or to any Competent Body to whose jurisdiction it is subject.

## **2.2 Traders, Trading Representatives and Responsible Persons**

2.2.1 Each Member shall appoint at least one Trader or Trading Representative. A Trader shall be an officer or employee of the Member appointing him. A Trading Representative shall be a third party agent of the appointing Member. A Member shall not trade on the Markets except through a validly appointed Trader or Trading Representative. Each Member shall be responsible for all acts and omissions of a Trader or Trading Representative appointed by it in relation to trading on the Markets and Clearing. A Trader or Trading Representative is not validly appointed until approved in accordance with this Clause.

2.2.2 A Member may apply for approval of a person as a Trader or Trading Representative. An application for approval of a Trader or Trading Representative shall be in such form as Imarex may prescribe from time to time.

2.2.3 Clearing Members may appoint Trading Representatives with authority to allocate Contracts to specified clearing accounts of the Clearing Member where so permitted or required in accordance with the rules of the Relevant Clearing House.

2.2.4 Imarex may require such information in relation to an applicant to become a Trader or Trading Representative as it may reasonably require with a view to ensuring compliance by the Member with the Trading Membership Requirements or the Rules or otherwise to protect the integrity, security or reputation of the Markets.

2.2.5 Imarex shall approve a person to be a Trader or Trading Representative unless Imarex deems the person unfit with due regard to the matters outlined in Clause 2.2.4.

2.2.6 Imarex may suspend, terminate or impose conditions on the approval or activities of a Trader or Trading Representative if it reasonably considers it appropriate to do so with a view to ensuring compliance by the Member with the Trading Membership Requirements or the Rules or otherwise to protect the integrity, security or reputation of the Markets.

- 2.2.7 A Member shall promptly provide such information relating to any appointed Trader or Trading Representative as Imarex may require to enable or facilitate Imarex to perform its functions under or in connection with the Rules.
- 2.2.8 A Trader or Trading Representative must have full authority to act for the account of the Member. Revocation of such authority shall only be effective if notified by the Member to Imarex in writing. Such notification shall become effective on receipt by Imarex. If a Member revokes the authority of all of its Traders and Trading Representatives it must appoint a new Trader or Trading Representative to be approved by Imarex in accordance with this Clause 2.2.
- 2.2.9 A Member trading through a Trading Representative must provide Imarex with a proxy in the name of such Trading Representative, authorising the Trading Representative to act vis-à-vis Imarex for the Member's account in trading on the Markets and Clearing.
- 2.2.10 Each Member shall appoint a Responsible Person. A Responsible Person shall be an officer or employee of the appointing Member. The Responsible Person shall be responsible for monitoring the Member's participation in the Markets, the compliance of the Member with the Rules and communication with Imarex. A Member shall promptly notify Imarex of a change in the identity of its Responsible Person.

## **2.3 Access Terms**

- 2.3.1 A Member may only trade on the Markets from such jurisdiction or jurisdictions as are notified in its application for Membership.
- 2.3.2 Each Member acknowledges that its access to and utilisation of Trayport may be monitored by Imarex for Imarex's own purposes, including the regular monitoring of the compliance by the Member with the Rules and otherwise to enable or facilitate Imarex to discharge its functions under or in connection with the Rules.
- 2.3.3 Each Member acknowledges that, as between Imarex and itself, the Website, Trayport and the User Guide are the exclusive and proprietary property of Imarex, and that, except as otherwise provided by the Rules, the Member shall have no ownership rights in respect of them. Each Member acknowledges that all rights in inventions, patents, copyrights, design rights, database rights, trade marks and trade names, trade secrets, know-how and any other intellectual property rights (whether registered or unregistered) relating to the Imarex Website, Trayport, and the User

Guide will (as between Imarex and the Member) remain vested in Imarex. Each Member agrees to protect the proprietary rights of Imarex in the Website, Trayport, and the User Guide, and agrees to comply with reasonable requests made by Imarex to respect such rights.

- 2.3.4 The Website, Trayport and the User Guide are solely for the use of Members, and shall be provided “as is” without warranty of any kind, either expressed or implied, to the fullest extent permitted by applicable law including but not limited to implied warranties as to merchantability, satisfactory quality or fitness for a particular purpose.
- 2.3.5 Each Member may not copy, reproduce, recompile, decompile, disassemble, reverse engineer, distribute, publish, display, perform, modify, upload to create derivative works from, transmit, or in any way exploit, any parts of the Material without the prior consent of Imarex except to the extent provided for by these Rules, the User Guide and the Website.
- 2.3.6 Each Member warrants that all data relating to natural persons supplied by it to Imarex shall be supplied in accordance with all applicable data protection and privacy legislation and with the consent of all such individuals for use of such data by Imarex their affiliates and their agents for the purposes of operating the Markets, with such data being used both inside and outside the EU/EEA. Each Member shall be responsible for obtaining all consents necessary in order for Imarex to use the information provided thereon in connection with the operation of the Markets, and for such use to comply with all legislation governing the processing, use or holding of data applicable to the Member.
- 2.3.7 Each Member shall, at its own cost and expense, provide all equipment, operating platforms and software (other than any software provided by Imarex) to use Trayport.
- 2.3.8 Each Member shall implement security procedures to prevent unauthorised use or misuse of the Markets. Each Member shall comply with the User Guide and follow all security procedures and instructions of Imarex at all times.
- 2.3.11 Each Member shall, each time it accesses or uses the Markets or Clears a Contract, be deemed to warrant to Imarex that it is in compliance with the terms of this Rulebook (including for the avoidance of doubt the representations and warranties set out in Clause 2.1.9).

### 3 LISTING RULES

#### 3.1 General

- 3.1.1 Imarex shall in co-operation with the Relevant Clearing House decide the specification of Listed Products (including Product Specifications). Each Listed Product must meet the criteria for admission to trading specified or contemplated by Clause 3.2. Listed Products shall be admitted for trading in Trayport. Standard terms of Listed Products shall be set out in the Product Specifications attached as Appendix 5.
- 3.1.2 Imarex shall determine what Non-Listed Products may be traded over MPS.
- 3.1.3 Imarex may, if there are no outstanding Contracts registered in a Listed Product for at least twenty consecutive Trading Days, de-list such Listed Product from further trading.
- 3.1.4 Imarex shall not exercise any power to de-list or suspend any Listed Product from trading on the Markets where such step would be likely to cause significant damage to the interests of investors or the orderly functioning of the Markets.
- 3.1.5 The Product Specification in respect of a Listed Product shall be determined not later than three days before the first day of trading in such Listed Product and may not be changed except as provided for in this Rulebook, unless:
- (a) all Members with outstanding Contracts in such Listed Product and the Relevant Clearing House consent in writing;
  - (b) applicable laws or regulations, court decisions or orders issued by any Competent Body render such change necessary or (in the reasonable opinion of Imarex) desirable; or
  - (c) Imarex (in consultation with the Relevant Clearing House) considers such change appropriate with a view to protecting the integrity, security or reputation of the Markets.
- 3.1.6 In the event of inconsistency between the Rules and a Product Specification, the Rules shall prevail.

- 3.1.7 Imarex shall review regularly each Listed Product to determine whether it continues to satisfy the criteria for admission to trading and the Product Specifications.

## **3.2 Criteria for admission to trading**

Before Imarex will admit a Listed Product to trading in Trayport, it must be satisfied and shall verify that the Rules and the Product Specification in their application to the Listed Product, and any other relevant matters, ensure that:

- 3.2.1 the Listed Product is a derivative contract whose design allows for its orderly pricing as well as for the existence of effective settlement conditions;
- 3.2.2 the asset or index which is linked to the Listed Product is an Underlying;
- 3.2.3 the Listed Product is capable of being traded in a fair, orderly and efficient manner;
- 3.2.4 the terms of the Listed Product are clear and unambiguous and enable a correlation between the price of the financial instrument and the price or other value measure of the Underlying;
- 3.2.5 sufficient information of a kind needed to value the Listed Product is publicly available;
- 3.2.6 either (i) the price or other value measure of the Underlying is reliable and publicly available; or (ii) the Listed Product provides a means of disclosing to the Market, or enabling the Market to assess, the price or other value measure of the Underlying;
- 3.2.7 the arrangements for determining the settlement price of the Listed Product is such that the price properly reflects the price or other value measure of the Underlying; and
- 3.2.8 settlement of the Listed Product can be effected in accordance with its terms and conditions.

## **4 TRADING RULES**

### **4.1 General**

4.1.1 Imarex shall offer the following services:

- (a) Imarex will operate an electronic trading system (“Trayport”) for Listed Products as further described in Clause 4.2; and
- (b) Imarex will provide market place services to its Members related to Listed Products and Non-Listed Products (“Imarex Market Place Services”) as further described in Clause 4.3.

4.1.2 The procedures and protocols set out in the User Guide shall apply to trading through Imarex. In the event of inconsistency between the Rulebook and the User Guide, the terms of the Rulebook shall prevail.

### **4.2 Trading in Trayport**

#### *4.2.1 Overview*

4.2.1.1 Trayport is Imarex’s electronic trading system, where Members may register Orders for automatic prioritising and Matching of Orders in Trading Hours, as further described below.

4.2.1.2 A Member must allocate one or more Traders or Trading Representatives who shall have access to Trayport for registering and cancelling of Orders in accordance with Clause 2.2.1. The name of each Trader and Trading Representative shall be notified to Imarex by the Member filing an electronic form. Each Trader and Trading Representative shall be granted a unique log-on identification by Imarex.

4.2.1.3 Log-on identifications shall be activated before Trading Hours the first day after a Member has been enabled to use Trayport in accordance with Clause 2.1.5. There must be at least one log-on identification for each Member.

4.2.1.4 Each Trading Member is responsible for all Orders registered from any log-on identification designated for its Traders or Trading Representatives, and for all Contracts based on such Orders. In the event of a security breach in relation to any log-on identification, a Member may

request that Imarex cancel the relevant log-on identification and issue a new log-on identification and Imarex shall cancel such log-on identification as soon as reasonably practicable. For the avoidance of doubt such Member shall be liable for all Orders registered in respect of a log-on identification prior to a request to cancel such log-on identification.

4.2.1.5 Imarex reserves the right to cancel trades if it appears that a Member has intentionally traded against its own account for its own benefit.

4.2.1.6 Imarex shall inform Members of Orders registered in Trayport and Contracts registered in Trayport by displaying such Orders and Contracts, save for the identity of the parties to any Contract.

#### 4.2.2 *Trading Days and suspension of trading*

4.2.2.1 Trayport shall be open for trading in Trading Hours on Trading Days as set out in Appendix 3.

4.2.2.2 Imarex may at any time:

- (a) suspend all trading in Trayport;
- (b) subject to Clause 3.1.4, suspend all trading in one or more Listed Products;
- (c) suspend all trading even if a number of Members have no, or restricted, electronic access to Trayport; or
- (d) restrict or remove one or more Members' access to Trayport

in each case if Imarex reasonably considers that the circumstances affecting a number of Members make it unfair to continue trading and it is necessary to take action under this Clause 4.2.2.2 to protect the integrity, security or reputation of the Markets.

4.2.2.3 Following a suspension of trading in any Listed Product, no Matching will take place in relation to such Listed Product. Following such suspension registered Orders in relation to a suspended Listed Product will be kept in Trayport if technically possible, and will be subject to Matching when the suspension is lifted, unless an Order is cancelled in accordance with Clause 4.2.3.6. Trading shall restart after 10 minutes' Notice to Members. Trading Members shall be granted an

access period of at least 5 minutes prior to such restart for cancelling Orders and registering new Orders.

#### 4.2.3 *Registration of Orders*

4.2.3.1 A Member may register Orders in Trayport during Trading Hours and such other times as are specified in Appendix 3. Each Order must specify:

- (a) the Listed Product designated by ticker;
- (b) whether it is buy or sell Order;
- (c) volume limit (number of lots);
- (d) price limit;
- (e) an expiry day, or that the Order is valid until cancelled.

4.2.3.2 An Order may be subject to Matching for whole or parts of the volume specified.

4.2.3.3 Imarex may issue further technical requirements or restrictions on Orders (minimum numbers of lots, price intervals etc) as detailed in the User Guide and the Product Specifications.

4.2.3.4 An Order is a legally binding offer to buy or sell when the recording of it has been electronically confirmed in Trayport or confirmed by the MPS.

4.2.3.5 A confirmed Order is valid for the day on which it is recorded, unless the Order specifies another expiry day or specifies that the Order is valid until cancelled.

4.2.3.6 A valid Order may be subject to Matching until:

- (a) cancelled by the Member and such cancellation has been electronically confirmed in Trayport or confirmed cancelled by the MPS; or
- (b) expiry of such Order pursuant to Clause 4.2.3.5 above.

4.2.4 *Priority of Orders*

4.2.4.1 The time of recording of an Order shall be the time during Trading Hours when it is electronically confirmed in Trayport.

4.2.4.2 Orders entered into Trayport during Trading Hours shall be recorded forthwith. Orders entered into Trayport outside Trading Hours shall be recorded at the start of subsequent Trading Hours in order of the time of entry into Trayport.

4.2.4.3 All Orders recorded in Trayport shall be prioritised with respect to Matching. Priority shall be given to the Order with the best price. Among Orders at the same price the first recorded Order shall be prioritised, unless the first recorded Order is a Conditional Order.

4.2.5 *Matching and trade confirmations*

4.2.5.1 An Order entered into Trayport shall be either:

- (a) inserted into the Trayport Order-book; or
- (b) automatically be Matched with one or more Orders previously entered in the Trayport Order-book, resulting in one or more Contracts.

4.2.5.2 A sell Order shall be Matched against one or more buy Orders previously entered in the Order-book if the prices are equal and any Conditional Order requirements match. If the quantity of an Order exceeds that in the Order-book at or better than the price required by the Order, the rest of the Order shall be entered into the Order-book (and vice versa for buy Orders).

4.2.5.3 If the price of a sell Order entered is less than that of one or more buy Orders in the Order-book, the sell Order shall be Matched with the buy Order at the price of the buy Order (and vice versa for buy Orders entered).

4.2.5.4 A transaction is legally binding upon a Member and the Relevant Clearing House at the time determined in accordance with the rules of the Relevant Clearing House, unless the Contract is cancelled pursuant to Clause 4.4 or Clause 4.5.

4.2.5.5 Trayport shall generate and send to the parties to a Contract an electronic confirmation when their Orders have been Matched.

4.2.5.6 Each Contract in a Listed Product shall be on the terms set out in the Product Specification relating to such Listed Product.

#### 4.2.6 *Anonymity*

Except where expressly provided for in the Rules or the User Guide, Imarex shall not display the identity of a Member in connection with any Order made, or Contract entered into, by such Member through Trayport.

### **4.3 Imarex Market Place Service (MPS)**

#### 4.3.1 *Overview*

4.3.1.1 Imarex shall provide market place services for Listed Products and Non-Listed Products through the MPS.

4.3.1.2 The market place services will be provided by the MPS, assisted by Trayport. All conversations with MPS personnel shall be taped.

4.3.1.3 The MPS shall seek to facilitate trading in Listed Products and actively seek to narrow the spread of prices on an anonymous basis. The MPS shall further facilitate trading in Non-Listed Products. Disclosure of participants will only occur in relation to Uncleared Contracts.

4.3.1.4 The MPS shall further facilitate Clearing of Contracts made outside Trayport that substantially comply with the terms of Listed Products, subject to the approval of the Relevant Clearing House.

4.3.1.5 Imarex and Imarex Personnel shall not trade in Listed Products or Non-Listed Products for their own account.

4.3.1.6 The MPS shall not provide portfolio management or advisory services to any person.

4.3.1.7 The MPS shall immediately notify a Member of all actions taken on the behalf of the Member.

4.3.1.8 The MPS shall seek to facilitate trading in a proper manner and at all times provide the services in an orderly, objective and non-discriminatory manner.

#### 4.3.2 *Trading Days and Trading Hours*

4.3.2.1 The MPS shall be open for trading in Trading Hours on Trading Days as set out in Appendix 3.

4.3.2.2 Imarex may close the MPS during Trading Hours without prior notice to Members where Imarex considers it necessary or desirable to protect the integrity, security or reputation of the Markets.

#### 4.3.3 *Orders and Interest Orders*

4.3.3.1 Members may place Orders and Interest Orders with the MPS in Listed Products or Non-Listed Products respectively.

4.3.3.2 The MPS shall display Interest Orders on the Imarex Bulletin Board unless otherwise agreed.

4.3.3.3 The MPS shall prioritise Orders before Interest Orders. Displayed Orders and Interest Orders shall be prioritised before undisplayed Orders and Interest Orders at the same price. The MPS will otherwise prioritise by time, based on the time when the MPS receives each Order or Interest Order.

#### 4.3.4 *Matching and trade confirmations*

4.3.4.1 Matching of Orders in Listed Products placed with the MPS shall follow the procedure set out in Clauses 4.2.5.1 to 4.2.5.3.

4.3.4.2 Matching of Orders in Non-Listed Products shall occur by communication between each accepting Member and the MPS. The MPS shall, when Interest Orders in Non-Listed Products may be Matched, contact the Members who posted such Interest Orders and ask for their approval to Match.

4.3.4.3 Upon such approval from all Members concerned, the MPS shall Match such Orders and confirm the Contract. A confirmed Order is legally binding between the Members when Matched, unless the Confirmed Order is expressly made subject to fulfilment of a condition.

- 4.3.4.4 Settlement of Uncleared Contracts in Non-Listed Products shall take place directly between the parties in accordance with the terms of such Contract and Clause 4.9.
- 4.3.4.5 Matched Orders in Listed and Non-Listed Products must be pre-approved by the Relevant Clearing House for Clearing. Upon such approval the parties shall immediately receive a trade confirmation from Imarex.
- 4.3.4.6 Trade confirmations in respect of Cleared Contracts in Listed and Non-Listed Products shall be legally binding upon a Member and the Relevant Clearing House as central counterparty unless the Contract is cancelled pursuant to Clause 4.4 or Clause 4.5 below.
- 4.3.4.7 All Matching outside Trading Hours through MPS, which requires Clearing, is subject to approval by the Relevant Clearing House before confirmed as a Cleared Contract.

#### 4.3.5 *Anonymity*

Orders and Interest Orders posted to the MPS shall be treated anonymously, except in relation to the Matching of such Orders.

## **4.4 Trade Errors**

- 4.4.1 Imarex may cancel or alter a Contract if the result(s) of an erroneous Order registration by the Trading Member or Imarex Personnel is considered by Imarex to be significantly deviated from prevailing market levels. An erroneous Contract registration must be cancelled or altered within the end of next Trading Day.
- 4.4.2 A Member who holds that a Contract is erroneous or otherwise holds that an electronically confirmed Contract is not legally binding upon it, must immediately, and under no circumstances later than the close of Trading Hours on the next Trading Day, make a written complaint to Imarex. Failure to make a written complaint within such time shall be deemed to be acceptance of a Contract.

Complaints received by Imarex shall be handled in accordance with the complaints procedures established by Imarex and as amended from time to time. Imarex may present the complaint to third parties including (without limitation) the counterparty to a Contract.

- 4.4.3 Imarex will have no obligation to cancel a trade where it considers that the complaint is being made in order to make a gain or avoid a loss on the purportedly erroneous trade.
- 4.4.4 Complaints regarding Matched Orders or cancellation of Contracts must be reported to Imarex in writing within **3 hours** on Trading Days from the time of Matching or cancellation and no later than 1 hour after daily closing of Imarex.
- 4.4.5 Imarex may register in Trayport a cancellation of or change to a Contract in a Listed Product. Imarex shall notify the Members involved in cancellations of or changes to Contracts in Non-Listed Products.
- 4.4.6 A Member disputing a decision made under the rules in this Clause shall, within two months after the Contract was executed, refer the dispute to arbitration in accordance with Chapter 7. A failure so to refer the dispute shall be deemed to constitute acceptance by the Member.

## **4.5 Lack of Clearing approval**

- 4.5.1 Contracts Matched outside Trading Hours shall be subject to approval by the Relevant Clearing House before confirmed as a Cleared Contract. If Clearing approval is not given at the opening of the next Trading Hours, the trade is cancelled unless otherwise agreed between the Members who may agree to enter into an Uncleared Contract on the terms of the trade. Imarex will inform the Members of cancellations at the latest at the opening of the next Trading Hours.

## **4.6 Market Surveillance**

- 4.6.1 Imarex will monitor all trading on the Markets in order to:
- (a) identify breaches of the Rules;
  - (b) identify and use its powers under the Rules to prevent or mitigate disorderly trading conditions;
  - (c) facilitate fair and orderly trading and detect and prevent conduct that may involve market manipulation or other market abuse;
  - (d) monitor the extent to which Listed Products meet Imarex's criteria for admission to trading.

- 4.6.2 Imarex will operate a Surveillance Committee that has the responsibility to take action on attempts at market manipulation in any way, on request from Imarex and/or the Relevant Clearing House.
- 4.6.3 Imarex may cancel, reverse or disregard trades if these, in the Surveillance Committee's opinion, have been made utilising undue trading practices and/or attempts to manipulate the Markets in any manner.
- 4.6.4 Members found to have violated the Rules and/or engaged in undue trading practices and/or attempts to manipulate the Markets in any way may be subject to suspension by Imarex.
- 4.6.5 Notwithstanding any obligation of confidentiality, Imarex may report the following matters to any Competent Body in respect of any Member or Members or the Markets generally and may provide full assistance to such Competent Bodies in investigating and prosecuting them:
- (a) any significant breach of the Rules;
  - (b) disorderly trading conditions; and
  - (c) conduct that may involve market manipulation or other market abuse.

## **4.7 General clearing arrangements**

- 4.7.1 A Trading Member may only trade in Listed Products through Trayport or otherwise enter into Cleared Contracts if it is a Clearing Member.
- 4.7.2 A Clearing Member must comply with the rules and any reasonable conditions imposed by the Relevant Clearing House from time to time. In particular,
- (a) a Cleared Contract must be cleared and settled by a Clearing Member in accordance with the rules and procedures of the Relevant Clearing House;
  - (b) the Clearing Member shall establish and maintain such accounts for clearing, collateral and settlement, as may be specified from time to time by the Relevant Clearing House.

#### **4.8 Imarex's responsibilities in respect of Clearing**

In the event that Imarex is informed by the Relevant Clearing House of its intention to cease Clearing a Listed Product, Imarex will first suspend trading in that Listed Product and will then either re-instate bilateral trading between the Members (on the basis of Uncleared Contracts between them in relation to the affected Product) or continue to suspend trading of the Product until such time as the Relevant Clearing House can again Clear the Product.

#### **4.9 Responsibilities in respect of Uncleared Contracts**

A Member shall ensure that every Uncleared Contract executed by it is duly settled in accordance with its terms. Imarex has no responsibility in relation to the performance or settlement of Uncleared Contracts.

## 5 LIABILITIES

### 5.1 Exclusion of liability

5.1.1 Unless otherwise expressly provided in the Rules, the User Guide or in any other agreements to which Imarex is a party:

- (a) none of Imarex and Imarex Personnel shall be liable for:
  - (i) any dishonest, fraudulent or malicious use of the Markets or trading through Imarex by any person other than Imarex Personnel;
  - (ii) any use of the Markets by a Member otherwise than in accordance with the Rules;  
or
  - (iii) any act or omission of Imarex which is in accordance with the provisions of the Rules or any duty or obligation under its regulatory system or in any regulatory capacity it may have;
- (b) without prejudice to paragraph (a) above, none of Imarex and Imarex Personnel shall be liable to a Member, its officers, employees, agents or customers for any losses, damages, costs, fees, expenses or other claims arising from:
  - (i) the Member's participation on, and use of the Markets; or
  - (ii) any failure of Imarex and Imarex Personnel to deliver, display, transmit, execute, compare, submit for clearance and settlement, or otherwise process orders, messages, or other data, delivered to or created by Trayport, Imarex or Imarex Personnel;

unless caused by the gross negligence, wilful default or fraud of such person.

5.1.2 Imarex shall not be liable for any indirect or consequential loss or special, general or consequential damages whatsoever, including (without limitation) in respect of loss of profits or contracts.

5.1.3 This Clause 5.1 shall not constitute a waiver or limitation of liability in respect of any rights a person may have under any laws or regulations of any jurisdiction which may not be properly disclaimed.

5.1.4 Nothing in this Clause 5.1 shall have the effect of excluding liability for death or personal injury arising from negligence.

5.1.5 Imarex shall not be liable for any damage or loss that may be caused to any equipment or other software due to use of, or any viruses, defects or malfunctions in connection with access to, Trayport.

## **5.2 Force Majeure**

Imarex shall not be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the Rules if such failure, hindrance or delay arises out of events or circumstances beyond its reasonable control. Such events or circumstances may include, but are not limited to, a change of law or regulation which in Imarex's reasonable opinion would render a Member's participation on Trayport or MPS illegal or impractical or adversely affect the ability of such Member to perform its obligations under the Rules or a Contract, acts of God or a public enemy, acts of a civil or military authority, embargoes, fire, flood, labour dispute, unavailability or restriction of computer or data processing facilities, energy supplies, settlement systems or of bank transfer systems or wires, and any other causes beyond Imarex's reasonable control.

## **6 MISCELLANEOUS PROVISIONS**

### **6.1 Fees**

6.1.1 A Member shall pay Imarex a fee for each Contract in accordance with the fee list set out in Appendix 4.

6.1.2 Fees for Cleared Contracts will be collected by the Relevant Clearing House. Fees for Uncleared Contracts will be collected by Imarex in accordance with Appendix 4.

## **6.2 Termination**

- 6.2.1 The Trading Membership Agreement may be terminated by each party thereto on one month's written notice.
- 6.2.2 In the event of Imarex's material breach of contract, the Trading Member may terminate the Trading Membership Agreement.
- 6.2.3 Termination of Membership shall be without prejudice to any claim Imarex has against the terminating Member.

## **6.3 Choice of law**

- 6.3.1 The governing law of this Rulebook and all Contracts and actions effected under the Rules shall be the law of England and Wales.
- 6.3.2 The governing law of the Trading Membership Agreement shall be as set out therein.

## **6.4 Confidentiality**

- 6.4.1 Imarex shall ensure that Confidential Information is not disclosed to any person other than Imarex, Imarex Personnel, the Relevant Clearing House (or its officers, employees or agents) any professional adviser of, sub-contractor of, or consultant to, Imarex, provided that any disclosure outside of Imarex, Imarex Personnel, the Relevant Clearing House (or its relevant personnel) shall be subject to the requirements set out in Clause 6.4.4.
- 6.4.2 A Member shall ensure that Confidential Information is not disclosed to any person other than its officers, employees, professional advisers, sub-contractors, or consultants or any member of such Member's Group, provided that any disclosure other than to an officer or employee of the Member shall be made in accordance with the requirements of Clause 6.4.4.
- 6.4.3 Confidential Information shall mean any information relating to the affairs of a Member, Imarex or the Relevant Clearing House which is obtained in writing, or by electronic transmission of data, by a person pursuant to or in the course of the implementation or performance of the Trading Membership Agreement, the Clearing Membership Agreement, the Rules and the User Guide.

6.4.4 The requirements of this Clause are that the person disclosing such information shall take all reasonable steps to secure that the person to whom the information is disclosed is aware of that person's obligations under, as the case may be, Clause 6.4.1 or 6.4.2 in relation thereto; and is subject to confidentiality obligations at least equivalent to those of this Clause 6.4.4.

6.4.5 Nothing in this Clause shall prevent or restrict:

- (a) the disclosure of Confidential Information between the Relevant Clearing House and Imarex;
- (b) the disclosure or use by a person of Confidential Information relating to a person to which such person has consented in writing;
- (c) any Confidential Information which is in, or enters, the public domain other than as a result of the breach of this Clause;
- (d) any disclosure required under any Enactment or by a Competent Body; or
- (e) any disclosure pursuant to Clause 4.6.5 or Chapter 7.

The obligations of confidentiality pursuant to this Clause shall continue to bind each Member and Imarex for a period of 3 years after termination of Membership.

## **6.5 Ownership of Data**

6.5.1 Subject to Clause 6.5.2, the data which is processed by, or recorded or maintained on, or provided to, the Markets (including all data derived therefrom, and any compilation of such data created by or on behalf of Imarex, together with all intellectual property rights in respect of any such data) shall belong to Imarex and, subject to Clause 6.5.2, Imarex may, without prejudice to any other requirement of the Rules, use, deal with, and disclose, such data as it thinks fit.

6.5.2 Where a Member provides data to Imarex, such data shall belong to the Member; and the Member shall, by the provision of such data, grant to Imarex a perpetual, non-exclusive royalty-free licence (which shall survive the termination of such Member's membership) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for such purposes as Imarex considers fit, provided that Imarex shall not disclose that the Member was the source of such data.

## **6.6 Changes and amendments**

6.6.1 Subject to Clause 6.6.2, Imarex may make changes or amendments to the Rulebook in accordance with Clause 1.2.5.

6.6.2 Changes to the Rules that affect the economic rights of Members under executed Contracts shall require the consent of all parties to the Contract, unless the changes or amendments are required by law, regulations, public bodies or a court of law or are (in the view of Imarex) necessary for the continued operation of the Markets.

## **6.7 Contracts (Rights of Third Parties Act) 1999**

Nothing in the Rules shall benefit a person who is not a Member or Imarex under the Contracts (Rights of Third Parties) Act 1999, and such a person shall have no right directly or indirectly to enforce any provision of the Rules, save that Clause 5.1 shall operate for the benefit of Imarex Personnel and be enforceable by them accordingly; provided always that the Rules may be varied or rescinded without the consent of any such Imarex Personnel.

## **6.8 No Partnership**

Nothing in the Rules shall constitute a partnership between any of Imarex, the Relevant Clearing House and any Member.

## **6.9 Severability**

If at any time any provision of the Rules becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Rules nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

## **6.10 Waiver**

No failure by Imarex to exercise, nor any delay on its part in exercising any of its rights (in whole or in part) under the Rules shall operate as a waiver of its rights or remedies upon that or any subsequent occasion, nor shall any single or partial exercise of any right or remedy prevent any further exercise thereof or any other right or remedy.

## **6.11 Notices**

Any notices or communication required under the Rules shall be made in accordance with the User Guide.

## **6.12 Assignment**

Except as expressly provided for by the Rules a Member may not assign or transfer any rights or obligations arising by virtue of its Membership or under any Contract.

## **7 DISPUTE RESOLUTION**

### **7.1 Duty to resolve disputes in good faith**

In the event of any dispute arising between Imarex (and/or its owners) and any Trading Member out of or in connection with this Rulebook, including any dispute as to the existence, validity or termination of Contracts, the parties to the dispute will use their best efforts to resolve such dispute in good faith and in a spirit of mutual understanding and co-operation so as to avoid adverse consequences for the Trading Members and for the operation of the Markets. The parties may agree to handle the dispute in accordance with the complaint procedures established by Imarex as amended from time to time.

### **7.2 Arbitration**

- 7.2.1 If the parties to a dispute under Clause 7.1 have not settled the dispute within 30 days after the first written complaint, or such further period as the parties shall agree in writing, the dispute shall then be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration which rules are deemed to be incorporated by reference into this Clause.

- 7.2.2 Any arbitration commenced pursuant to this chapter shall be administered by the London Court of International Arbitration.
- 7.2.3 The number of arbitrators shall be three (3), unless the value of dispute, according to the statement of claim is below the amount of USD 100,000 in which case the number of arbitrators shall be one (1).
- 7.2.4 Each party shall designate one arbitrator. The two arbitrators so designated shall within thirty (30) days designate a third arbitrator. If either party fails to designate its arbitrator within thirty (30) days, or if the two designated arbitrators fail to designate the third arbitrator within (3) days, the appointment shall be made by the London Court of International Arbitration.
- 7.2.5 The seat, or legal place, of arbitration shall be London.
- 7.2.6 The language to be used in the arbitration proceedings shall be English.