Nasdaq Clearing
Intra-Day Limit Policy

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Background and purpose

Nasdaq Clearing requires collateral for equity, fixed income and commodity derivatives positions to cover the Margin Requirement provided within the relevant deadline on each Clearing House Business Day as specified in the Clearing Rules (Chapter 5, General Terms, Commodity Derivatives Clearing Rules and Chapter 2, Nasdaq Financial Derivatives Clearing Rules).

Nasdaq Clearing has the right to call for additional collateral during the clearing day (Intra-Day Margin Requirement) under the Clearing Rules.

Intra-day margin calculations take place continuously throughout the day and can be executed when deemed necessary by the Clearing House under the Clearing Rules. Each intra-day margin calculation reflects the relevant Clearing Member's, Clearing Client's or Direct Pledge Customer's change in exposure due to changes in positions and/or margin prices.

The purpose of this policy is to provide transparency of the procedures for Intra-Day Margin Requirement.

Defined terms have the meaning set out in the Clearing Rules unless they are defined in this Policy.

Scope

This policy is applicable to all Clearing Members, Clearing Clients and Direct Pledge Customers (Participants) of Nasdaq Clearing.

Policy

Nasdaq Clearing´s policy is to issue an Intra-Day Margin Requirement whenever the relevant Participant´s intra-day collateral deficit in absolute terms exceed such Participant´s limits in the Commodities Market in EUR or in the Financial Market in SEK and its relative collateral intra-day deficit exceeds the relevant limit specified as a percentage %.

Different limits apply depending on which market the Participant is a member of.

For Commodities Market Participants that are active in the Fuel Oil market only the following limits apply:

- Collateral deficit limit in absolute terms: 1 MEUR
- Collateral deficit limit in relative terms: 10%

For Commodities Market Participants that are active in the Seafood market only the following limits apply:

- Collateral deficit limit in absolute terms: 600 KEUR
- Collateral deficit limit in relative terms: 10%

For Commodities Market Participants active in Commodities Markets other than Seafood and Fuel Oil markets, the following limits apply:

- Collateral deficit limit in absolute terms: 1,5 MEUR
- Collateral deficit limit in relative terms: 15%

For Financial Market Participants the following limits apply:

- Collateral deficit limit in absolute terms: 20 MSEK
- Collateral deficit limit in relative terms: 20%

A deficit above 15 MEUR/150 MSEK will always trigger an Intra-Day Margin Requirement for Participants active in the Commodities- and the Financial Markets.

The intra-day collateral deficit in absolute terms is defined as the difference between the absolute value of the Intra-Day Margin Requirement (MR) and the Collateral Value (CV) after the applicable haircuts and concentration limits have been applied.

The absolute intraday deficit is defined as: If MR < 0 then Abs(MR)-CV else 0

The relative intra-day collateral deficit is defined as the difference between the absolute value of MR and the CV after the applicable haircuts and concentration limits have been applied divided by the absolute value of the MR.

The relative intraday collateral deficit is defined as: If MR < 0 then (Abs(MR)-CV)/Abs(MR) else 0

Where
MR = Total Margin Requirement (based on real time derivatives positions and prices)
CV = Collateral Value after haircuts and concentration limits (based on real time collateral positions and previous day collateral prices).

If the Participant has chosen a base currency for a Margin Requirement Account other than EUR in respect of the Commodities Markets or SEK in respect of the Financial Markets, the intra-day collateral deficit will be converted into EUR or SEK on the respective market at the applicable exchange rate.

The Clearing Rules stipulate that the Intra-Day Margin Requirement shall enter into force immediately and be met by the Participant no later than 90 minutes after the Clearing House notified the Participant.

If the exposure is significantly reduced within 90 minutes of the issuance of an Intra-Day Margin Requirement, the Participant may request that the Clearing House re-calculates the Intra-Day Margin Requirement. If the re-calculated Intra-Day Margin Requirement is below the relevant thresholds, the Clearing House will cancel the issued Intra-Day Margin Requirement.

Nasdaq Clearing reserves the right, and may from time to time consider issuing an Intra-Day Margin Requirement for other reasons than a breach of the intra- day limits set out above.

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