

PRODUCT SPECIFICATIONS AND SUPPLEMENTARY RULES IN RESPECT OF LOAN SETTLEMENT FOR BILATERAL LOANS

1. SUMMARY

- 1.1** This Appendix provides at section the Product Specifications for Bilateral Loans that are subject to Clearing at OSLO CLEARING, while sections 3 to 6 provide supplementary rules on Loan Settlement.
- 1.2** The Product Specifications are supplemented by separate Contract Documents, in which the parties to a contract agree the detailed terms and conditions for the Loan. The Contract Document must be submitted to OSLO CLEARING in electronic form in accordance with the OSLO CLEARING procedures in force at any time.
- 1.3** The Underlying Instruments for Bilateral Loans that may be subject to Clearing at OSLO CLEARING are stocks that are listed on either Oslo Børs or on the OTC list maintained by Fondsmeglernes Informasjonstjeneste AS, as well as Exchange Traded Funds.

2. PRODUCT SPECIFICATIONS.

Contract Type:	Open Ended unless a Redelivery Date is specified in the Contract Document ("Fixed Term").
Underlying Instrument:	Agreed in the Contract Document.
Contract Size:	Agreed in the Contract Document.
Loan Period:	From and including the date of Delivery to and including the date of Redelivery.
Minimum Interest Amount:	Agreed in the Contract Document
Interest rate:	Agreed in the Contract Document.
Interest calculation basis:	Variable.
Interest calculation:	Calculated for each day commenced during the Loan Period based on 360 interest days per year.
Interest Settlement:	First Trading Day after each month-end.
Redelivery Entitlement:	The Borrower has the right on each Trading Day in the Loan Period to carry out Redelivery. The Lender has the right on each Trading Day in the Loan Period to demand Redelivery.
Redelivery Date:	The latest date, if any, specified in the Contract Document when Redelivery of the Loaned Instruments must take place. Specifying a Redelivery Date does not affect the Redelivery Entitlement.
Loan Settlement:	Delivery, Redelivery, Interest Settlement and Compensation Settlement.
Clearing liability:	OSLO CLEARING's liability for clearing does not extend to Compensation Settlement.

3. DELIVERY

- 3.1** On the same day that a Bilateral Loan is registered on the Lender's VPS Account, the Loaned Instruments are automatically transferred from the Lender's Lending Account to the Borrower's Borrowing Account.
- 3.2** The Lender shall ensure that a sufficient number of Loaned Instruments are registered on its Lending Account, or that an order to cover any shortfall by the transfer of such instruments to its Lending Account has been registered in VPS before the check is carried out to ensure that there are sufficient instruments available for the transfer to the Borrower's Borrowing Account.
- 3.3** The Loaned Instruments shall be transferred free of any encumbrance and with all associated rights. The Borrower takes over all rights and duties pertaining to the Loaned Instruments, including all such rights and duties in relation to the issuer, from such time as the Loaned Instruments are registered on its Borrowing Account.
- 3.4** OSLO CLEARING shall release Loaned Instruments for subsequent transfer from the Borrower's Borrowing Account to another VPS Account on the same Trading Day that such instruction is received. The instruction to make a transfer is made by registering the transfer in VPS.

4. REDELIVERY

- 4.1** Redelivery of Loaned Instruments takes place by the transfer of an equivalent number of Loaned Instruments to the Lender's Lending Account, free of any encumbrance and with all associated rights, subject to any change in the number and nominal value etc. that might have arisen during the Loan Period as a result of such events as envisaged by the provisions of section .
- 4.2** The Borrower's Clearing Representative shall register Redelivery in VPS. Redelivery shall be deemed to have taken place once the Loaned Instruments are registered on the Lender's Lending Account. Such Redelivery is carried out by use of a specific function in VPS.
- 4.3** The right to demand Redelivery is exercised by the Lender's Clearing Representative notifying the Borrower's Clearing Representative that the Lender requires Redelivery. Redelivery shall take place by registration on the Lender's Lending Account on the Trading Day following the day on which the demand for Redelivery is made.
- 4.4** Where a Maturity Date is specified in the Contract Document, Redelivery shall take place by registration on the Lender's Lending Account no later than the Maturity Date.
- 4.5** If quoted Loaned Instruments are suspended from quotation on the Maturity Date or other temporary circumstances occur, OSLO CLEARING may decide that Redelivery shall be deferred until the circumstances in question have been resolved, but subject to a maximum deferral of 21 days. If Loaned Instruments are temporarily deleted from quotation, Redelivery may be deferred for a further 21 days from such time as the temporary deletion is decided.
- 4.6** If Loaned Instruments are deleted from quotation or other circumstances occur that are assumed not to be of a temporary nature and that OSLO CLEARING deems will make it impossible or materially more difficult to carry out Redelivery of the Loaned Instruments on the Maturity Date, OSLO CLEARING may decide that Redelivery shall not be carried out, and instead the Borrower shall compensate the Lender for the market value of the Loaned Instruments calculated from the due date. OSLO CLEARING shall calculate the market value to the best of its ability, but the calculation may be challenged in full in the courts in the event of any legal proceedings. In such an event, the Borrower shall be liable to reimburse the Lender for such market value as the court may decide, and to indemnify OSLO CLEARING against all losses and expenses it may incur as a result of this situation. OSLO CLEARING reserves the right to decide whether the Borrower or Lender

respectively shall be joined into any proceedings brought against OSLO CLEARING by the Lender or Borrower respectively.

- 4.7** Section shall apply similarly in the event of any compulsory redemption of stocks, insolvency, write-down of share capital, redemption of stocks or other events that make it permanently impossible to carry out Redelivery of Loaned Instruments.
- 4.8** Upon receiving notification of such events as mentioned in sections to , OSLO CLEARING can instead decide that the due date shall be brought forward to a date before the event in question shall occur.
- 4.9** The Borrower and the Lender may agree to extend the Loan Period for a Bilateral Loan Contract. In the event of an extension, a new Contract Document shall be entered into and submitted to OSLO CLEARING, with a request for Clearing and a statement that the request relates to an extension of a specified Bilateral Loan Contract. If Clearing is approved, the new Bilateral Loan Contract shall be registered on the same Clearing Account as that on which the original Bilateral Loan Contract was registered. At the same time, Redelivery of the original Bilateral Loan Contract will be registered in the Clearing System.

5. INTEREST SETTLEMENT

- 5.1** The Borrower shall pay the Lender the agreed interest for the Loan Period, calculated for each day commenced during the Loan Period based on 360 interest days per year.
- 5.2** Interest shall be calculated on the basis of the number of Loaned Instruments that are the subject of the Bilateral Loan from time to time, corrected for such events as mentioned in section , multiplied by the Closing Price for the Loaned Instrument. The Closing Price shall be calculated in accordance with the provisions of the Standard Terms.
- 5.3** If the total interest payment calculated in accordance with the rules above that is due for payment upon Redelivery of the entire loan is less than the Minimum Interest Amount specified in the Contract Document, the Borrower shall pay the Minimum Interest Amount to the Lender.
- 5.4** OSLO CLEARING shall calculate the interest amount and notify this to the Clearing Representative no later than the last Trading Day before settlement. Settlement shall take place over the Clearing Representative's Pledged Cash Account on the first Trading Day following the month end.

6. COMPENSATION SETTLEMENT

- 6.1** The Borrower shall carry out settlement in favour of the Lender in accordance with the provisions set out below, if the Lender would have been entitled to receive any of the following benefits from the issuer during the Loan Period if the Bilateral Loan had not been entered into:
- 6.1.1** In the event that a cash dividend, interest or other current benefit is received in respect of the Loaned Instruments, the Borrower shall pay an equivalent amount to the Lender. If the issuer declares a dividend whereby stockholders can elect to receive either cash or additional stocks, the Borrower shall pay the amount of the cash dividend to the Lender in accordance with the provisions of section below.
- 6.1.2** In the event that a cash repayment of the nominal value or the market value of the Loaned Instruments is received, including full or partial repayment of stocks in the event of liquidation, redemption, reduction in capital, merger or demerger, the Borrower shall pay the equivalent amount to the Lender.
- 6.1.3** In the event that priority rights are issued for subscription to new shares in the event of an increase in capital, or for subscription to other Financial Instruments, the subscription rights shall be transferred free of charge to the Lender's Lending Account. If such priority rights are not negotiable, an equivalent cash amount shall be paid to the Lender. The

provisions of section below shall apply to such circumstances. If the issuer offers cash consideration to purchase such subscription rights, the Borrower shall pay the equivalent amount to the Lender.

- 6.1.4** In the event of any payments or issues of rights other than those mentioned above that must be assumed to arise from the Loaned Instruments, including any allocation of warrants, OSLO CLEARING may decide that the Borrower shall compensate the Lender by a cash payment or by transfer of the warrants to the Lender.
- 6.2** In the event that, if the Loan Contract had not been entered into, the Lender would have received new shares from the issuer during the Loan Period as a result of a scrip issue, demerger, stock split or distribution of dividend shares, or if the Lender would have had to exchange shares as a result of a merger, change of ISIN number at VPS, share combination or any similar corporate action by the issuer, the Borrower shall ensure that such shares are delivered to the Lender upon Redelivery of the Loaned Instruments. Any excess cash amount shall be paid to the Lender in accordance with the provisions of section .
- 6.3** The Clearing Member may agree with the Borrower in advance that the Borrower shall carry out Redelivery of the Loaned Instruments before any such adjustments occur.
- 6.4** Compensation Settlement shall be calculated by the Borrower's Clearing Representative and shall be carried out between the Borrower's Clearing Representative and the Lender's Clearing Representative.
- 6.5** OSLO CLEARING may grant exemptions from the above provisions, or decide upon other Compensation Settlement where this is required in special cases to ensure fair and proper compensation. Compensation Settlement that is to be determined by valuing the Financial Instruments etc. shall be calculated by OSLO CLEARING to the best of its ability, but the calculation may be challenged in full in the courts in the event of any legal proceedings. In such an event, the Borrower shall be liable to reimburse the Lender for such Compensation Settlement as the court may decide, and to indemnify OSLO CLEARING against all losses and expenses it may incur as a result of this situation. OSLO CLEARING reserves the right to decide whether the Borrower or Lender respectively shall be joined into any proceedings brought against OSLO CLEARING by the Lender or Borrower respectively.
- 6.6** Compensation Settlement is not included in Clearing, and OSLO CLEARING therefore has no responsibility for ensuring that Compensation Settlement takes place in accordance with the above provisions. The Borrower shall be responsible for carrying out its obligations without requiring any specific instructions from OSLO CLEARING.