

Exchange Notice

May 15, 2008

SAXESS user news 5/08

As of June 2, OMX Nordic Exchange Copenhagen, Helsinki, Iceland and Stockholm will launch SAXESS Trading System release 5.0.0

The new release of SAXESS contains the following new functions

The main functionality enhancements in SAXESS 5.0.0 are

- Circuit Breakers and Trading Safeguards
- Latency improvements

Summary of functional changes.

Detailed information on page 2 and upwards.

1. SAXESS 5.0.0 Functional description

- 1.1. Circuit Breakers and Trading Safeguards
- 1.2. Midprice Matching¹
- 1.3. Four decimals in Trade Reporting¹
- 1.4. Latency improvements

2. SAXESS 5.0.0 load handling demands on applications

(information about how members' should be sure to handle the transaction load)

3. Other configuration changes

- 3.1. Post Trade Anonymity (partly introduced for selected submarkets and orderbooks)
- 3.2. Round Lot One on Iceland (postponed for Copenhagen and Stockholm¹)
- 3.3. Market Model Harmonization
 - a. Equilibrium Price Order to be implemented for auction phases
 - b. Market Price Order with FoK and FaK limitation
 - c. Maximum days of order validity to 90 days (T+89)

Special actions on the last trading day, prior to the launch day on Monday, June 2.

On Friday, May 30, not later than 18:00 CET, all overnight orders must be deleted and trades pending for deferred publication will be published at 18:00 CET.

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At the same time as the launch-date above (June 2), the Nordic Exchanges have decided to harmonize the routines for "**Flushing of GTD orders in case of corporate actions and dividends**" (detailed information on the following pages).

¹ The functions marked as grey above are postponed and will be launched at a later stage (see information on the following pages).

Detailed information about functional changes.

1.1. Circuit Breakers and Trading Safeguards

OMX Nordic Exchanges in Helsinki, Iceland, Stockholm and Copenhagen have decided to adopt circuit breakers (volatility interrupters) to reduce uncertainty during volatile periods. In addition, trading safeguards to avoid erroneous orders will be introduced. Circuit breakers will be implemented on the following instruments: equities (including First North) and investment funds/ETFs.

Read more about definitions of Circuit Breakers and Trading safeguards in attached document (Exchange Notice 10/08).

1.4. Latency improvements

Latency improvements will be a result of software changes in SAXESS 5.0.0.

Current average central system latency (from arrival of transaction until sent out) measured during a selected period in March was ~ 45 ms for Partition 1. Average central system latency will improve in SAXESS 5.0.0 with ~20-30% according to initial tests. Follow up on production results will follow after launch.

2. SAXESS 5.0.0 load handling demands on applications

All applications compliant with SAXESS 5.0.0 must be able to handle the output rate of 45 000zB (compressed bytes per second). All applications certified for previous version of SAXESS have been tested with 30 000zB. SEXTST1 is running load tests with 45 000zB after trading hours from Monday to Thursday. A link to the test schedule is available on our member website: <http://www.omxnordicexchange.com/Memberlogin/saxess/testsystem>

3.1. Post Trade Anonymity

The OMX Nordic Exchange will introduce Post Trade Anonymity for the public information. This means that the Trade Ticker will not contain counterparties' ID's at the time of dissemination of the trade. The counterparty information will be disseminated later the same trading day, at the time of the orderbook close (currently 18.00 CET) in a batch message that updates the previously published trades.

The anonymity will be applicable for the following instruments/submarkets:

- All submarkets under the market OMX HEL Equities and related.
- Submarket First North HEL
- All submarkets under the market OMX ICE Equities and related.
- Selected orderbooks from submarket OMX STO Equities:
ERIC B ; TLSN ; VOLV B; NDA SEK ; HM B

Remark:

OMX Nordic Exchange Copenhagen is not going to use Post Trade Anonymity until further notice.

3.2. Round Lot One

OMX Nordic Exchange aims to further harmonize the Nordic markets by implementing round lot size one. Round lot one is already in effect in Helsinki.

The implementation in Iceland is planned for June 2, 2008.

In order to secure full technical member readiness OMX Nordic Exchange has decided to **postpone the launch of Round Lot One for OMX Nordic Exchange Stockholm and Copenhagen.**

3.3. Market Model Harmonization

As earlier communicated, OMX Nordic Exchange aims to further harmonize the Nordic markets by implementing Market Model Changes to Copenhagen, Helsinki, Iceland and Stockholm.

The planned changes in SAXESS release 5.0.0 on 2nd June 2008 will include 3 technical changes which are as follows: Equilibrium Price Order to be implemented for auction phases, Market Price Order with FoK and FaK limitation and Maximum days of order validity to 90 days (T+89). The implementation of MP order is conditional on circuit breakers being implemented. The updated list of submarkets impacted by the changes is as follows:

- **Equilibrium Price Order to be implemented for auction phases**

- OMX Nordic Exchange Copenhagen: OMX CPH Other collective investment schemes, OMX CPH Equities, OMX CPH Investment funds, First North Copenhagen.
- OMX Nordic Exchange Helsinki: Equilibrium Price Order already in use: OMX HEL Equity Rights, OMX HEL Fund Units, OMX HEL Equities, OMX HEL Covered Warrants, OMX HEL Certificates.
- OMX Nordic Exchange Iceland: OMX ICE Equity Rights, OMX ICE Alternative Market, OMX ICE Equities, OMX ICE Fund Units, First North Iceland.
- OMX Nordic Exchange Stockholm: OMX STO Convertibles, OMX STO Eq.Rights, Subs.Opt, Int shares, OMX STO Equities, OMX STO Warrants, OMX STO Certificates, OMX STO Fund Units, OMX STO ETC, First North Stockholm, First North Convertibles STO. (Equilibrium Price Order already in use on First North Helsinki.)

- **Market Price Order with FoK and FaK limitation**

The implementation is conditional on circuit breakers being implemented:

- OMX Nordic Exchange Copenhagen: OMX CPH Other collective investment schemes, OMX CPH Equities, OMX CPH Investment funds, First North Copenhagen.
- OMX Nordic Exchange Helsinki: Market Price Order with FoK and FaK already in use: OMX HEL Fund Units, OMX HEL Equities.
- OMX Nordic Exchange Iceland: OMX ICE Alternative Market, OMX ICE Equities, OMX ICE Fund Units. (Market Price Order with FoK and FaK already in use on First North Iceland.)
- OMX Nordic Exchange Stockholm: OMX STO Equities, OMX STO Fund Units. (Market Price Order with FoK and FaK already in use on First North Helsinki and First North Stockholm.)

- **Maximum days of order validity to 90 days (T+89).**

- OMX Nordic Exchange Copenhagen: OMX CPH Rights (subscription and bonus), OMX CPH Other collective investment schemes, OMX CPH Equities, OMX CPH Investment funds, First North Copenhagen.
- OMX Nordic Exchange Helsinki: OMX HEL Equity Rights, OMX HEL Fund Units, OMX HEL Equities, OMX HEL Covered Warrants, OMX HEL Certificates.

- OMX Nordic Exchange Iceland: OMX ICE Equity Rights, OMX ICE Alternative Market, OMX ICE Equities, OMX ICE Fund Units, First North Iceland.
- OMX Nordic Exchange Stockholm: OMX STO Convertibles, OMX STO Eq.Rights, Subs.Opt, Int shares, OMX STO Equities, OMX STO Warrants, OMX STO Certificates, OMX STO Fund Units, OMX STO ETC, First North Helsinki, First North Stockholm, First North Convertibles STO.

Postponed launch date for the following functions:

Postponement to implementation of Midprice Matching

Due to the large amount of diversified feedback on the functionality OMX has now decided **not to launch the current Midprice Matching functionality on June 2.**

A broad customer consultation was conducted in March/April. Based on the results from this consultation, OMX will decide on how to proceed with the Midprice Matching facility. The functionality will however be implemented technically and tested in SAXESS 5.0.0, but not taken into use.

See attached "IT Exchange Notice 09/08" for test configuration details.

Postponement to implementation of 4 decimals in trade reporting at OMX Nordic Exchange

As earlier communicated, OMX Nordic Exchange aims to further enhance the Nordic markets by implementing 4 decimals in trade reporting on the Nordic exchanges. In order to secure full technical readiness, OMX Nordic Exchange has decided to postpone the launch until further notice (see detailed information in attached Exchange Notice 11/08).

Hence, the planned configuration changes in conjunction with the SAXESS release 5.0.0 on June 2, 2008, **will not include 4 decimals in trade reporting for OMX Nordic Exchange.**

After the SAXESS release 5.0.0 on June 2, 2008, decimals will remain as in 4.8.0 release.

Flushing of GTD orders in case of corporate actions and dividends

OMX Nordic Exchange will align its order cancellation policy for Equity order books for OMX Nordic Exchange Copenhagen, Helsinki, Iceland and Stockholm. The change will take effect on June 2nd, 2008. The decision to harmonize the order cancellation policy is based on the results of a member consultation held in Q1 2008. The cancellation policy refers to "Good-till-date" (GTD) orders entered in an order book on OMX Nordic Exchange and First North equity markets in Copenhagen, Helsinki, Iceland and Stockholm in the event of corporate actions and dividends.

Corporate actions (such as Stock splits and Bonus issues) or dividends in listed companies, causing the market price to be adjusted significantly when taking effect on ex-date, are often subject to fluctuations in the order book during the pre-trade session, as GTD orders are entered into the order book at old market price. This can lead to trades being executed at price levels deviating from the current market price.

To minimize the impact of orders that reflect the old price level, the exchanges will flush all orders during the post-trading session, the trading day before a corporate action or dividend with a significant price impact is to take place. The flushing procedures are intended to protect investors from trading on obsolete terms and to offer security to investors who use the GTD order functionality.

Flushing criteria

The exchanges can take action if orders are entered into the order book at prices reflecting the market price before a corporate action or dividend, and when the prices meet the criteria for flushing.

In general, corporate actions and dividends qualify for flushing where:

- A corporate action or dividend is expected to have an impact on the price of the security of at least 10% in either direction on ex-date, based on the closing price the previous trading day.

Flushing procedure

The exchanges intervene in a swift and consistent manner based on the given criteria and make a decision as to whether orders are to be flushed, to ensure that the integrity of the market remains intact and that the risk of trades being executed at erroneous prices is minimized.

The exchanges will act according to the following flushing procedure:

- All orders in order books qualifying for flushing will be flushed during the post-trading session the trading day before the corporate action or dividend applies (ex-date).

If there is uncertainty regarding the level of expected theoretical price impact or if it cannot be objectively estimated, the exchange reserves the right not to flush order books.

The flushing procedure is only applicable for equities listed on OMX Nordic Exchange and First North equity markets in Copenhagen, Helsinki, Iceland and Stockholm.

For support and further information – please contact:

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Contacts below are reserved for trading Members, information Vendors and ISV's

Nordic Market Feed / TARGIN	Please contact your Market Data Account manager or mail to: mds@nasdaqomx.com
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OMX Nordic Exchange

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About OMX | OMX is a leading expert in the exchange industry. Through the Nordic Exchange, OMX offers access to approximately 80 percent of the Nordic and Baltic securities market. The Nordic Exchange is a term used for marketing purposes and is not a legal entity. It describes the common offering from the Helsinki Stock Exchange, Copenhagen Stock Exchange, Stockholm Stock Exchange, Iceland Stock Exchange, Tallinn Stock Exchange, Riga Stock Exchange and Vilnius Stock Exchange. OMX integrated technology solutions cross the transaction chain enabling efficient securities transactions for over 60 exchange organizations in more than 50 countries. OMX is a Nordic Large Cap company in the Financial sector on the OMX Nordic Exchange. For more information, please visit www.nasdaqomx.com