

Appendix 4 to the Fish Pool Rulebook

Finalisation, default and settlement of Non-Cleared (bilateral) trades

Table of contents:

1. General provisions:	2
2. Matching of Non-Cleared Trades	2
3. Confirmation default	3
4. Rights of the Compliant Counterparty in a case of Confirmation Default	3
5. Failure to place bank guarantee or pay option premium.....	4
6. Settlement of Non-Cleared Trades.....	5
7. Settlement errors of Non-Cleared Trades	5
8. Default rules in Settlement of Non-Cleared Trades.....	6
9. Rules for calculation claim in case of Settlement Default	6
App i) Payment demand guarantee	7
App ii) Trade confirmation	8
App iii) Settlement notice	10

1. General provisions:

The terms of this Appendix will apply to all Non-Cleared Financial Fish and Seafood Contracts at Fish Pool. In the event of any conflict between the Rulebook and these terms, the Rulebook shall prevail.

The following documents are appendices to Non-Cleared Contracts

- i. Fish Pool recommended on-demand Bank Guarantee
- ii. Trade Confirmation for bilateral Forwards and Options
- iii. Settlement Notice for bilateral (Non-Cleared) Forward and Option contracts.

2. Matching of Non-Cleared Trades

Matching in Non-Cleared Products will be notified by telephone or by e-mail by Fish Pool to the Trade Members involved, and the identity of the other Counterparty will be disclosed.

Each Trade Member must within the end of the first Trading Day after the Matching day decide the following:

- a) Whether it shall require a bank guarantee from the Counterparty and if so on what conditions. 10 % and 15 % of the contract value is commonly used as bank guarantee for Non-Cleared trades, as well as the proposed on-demand bank guarantee as given in Appendix 8. If a bank guarantee is required by either party, the terms of such guarantee shall be agreed upon between the parties, upon negotiation in good faith, no later than the end of the following Trading Day.
- b) Whether it shall deviate from standard payment terms for Non-Cleared Option contracts. Standard payment terms for Non-Cleared Option contracts are payment from the Option Holder within 10 calendar days from reception of the invoice of the Option Premium. Each Party must decide, within the end of the next Trading Day, if the payment terms shall deviate from these standards. The invoice may be sent by e-mail, telefax or post. If no demand for deviation is presented within the next Trading Day, the Option contract is accepted with payment terms of 10 calendar days.

If such good faith negotiations fail to result in agreement for bank guarantees and/or Option Premium payment terms within such deadline, the Matched Trade shall be deemed never to have occurred.

A Trade Confirmation will be issued from Fish Pool and sent to the Trade Members involved by telefax or e-mail when both parties have agreed upon the terms of the bank guarantee required from the Counterparty and payment terms for the Option Premium.

For the sake of good order; a Trade is legally binding for both parties when the Trade Confirmation is issued, unless a Trade Error has occurred according to clause 13 of the Rulebook.

Each party to a Trade shall return a signed copy of the Trade Confirmation to Fish Pool within the deadline stated in the Trade Confirmation. A confirmation may be given by phone or by applied acceptance if Fish Pool at its own discretion considers this sufficient.

3. Confirmation default

In the event that both parties fail to confirm the Trade Confirmation (such failure by either party a “Confirmation Default”) within the deadline, the Trade shall be deemed never to have occurred.

In the event that one party is in Confirmation Default, Fish Pool shall within reasonable time notify the Compliant Counterparty of such Confirmation Default. The Compliant Counterparty may at its sole discretion elect to extend the deadline for the other party to return a signed Trade Confirmation or declare default. If default is declared, the Trade shall be deemed never to have occurred and the Compliant Counterparty has the default rights according to clause 4.

A Trade Member invoking a Trade Error must return such signed Trade Confirmation to Fish Pool no later than the end of the Trading Day following the receipt of the documentation stipulated in clause 13.2 of the Rulebook. A failure by a Trade Member to confirm a Trade Confirmation as required hereunder shall constitute a Default of the relevant Trade.

4. Rights of the Compliant Counterparty in a case of Confirmation Default

The following shall apply upon a Confirmation Default for a Non-Cleared Trade as set forth in clause 3:

- The Compliant Counterparty shall within three Trading Days after being informed of the Confirmation Default notify Fish Pool whether the Compliant Counterparty will declare Default or if Trade shall be cancelled. In the event that the Compliant Counterparty elects to declare a Default, it may within two Trading Days after such declaration re-enter the Trade which was subject to the Confirmation Default at Fish Pool at the best terms available.
- After having re-entered the Trade, the Compliant Counterparty may present a claim against the defaulting party for compensation of its net losses. The loss is defined as the difference between the new price and the price in the original Trade multiplied

with the volume in the original Trade. Net loss will be calculated as the sum of losses and profits for all months in the Trade. A net profit involves no further obligations for either party.

- For a Non-Cleared Option the value of the Option shall be set on the day Fish Pool informs of the Confirmation Default using the option value calculation formula used by the Clearinghouse. This value shall be the basis for calculation of profit or loss from the party declaring default according to the principles above.

5. Failure to place bank guarantee or pay option premium

A party to a Non-Cleared Trade may declare a default if the other party to the Trade does not fulfil its obligations to:

- Place the agreed bank guarantee within the deadline confirmed in the Trade Confirmation, or
- Pay the agreed Option Premium within the payment terms confirmed in the Option Trade Confirmation.

A Compliant Counterparty may at any time after the deadline has been exceeded and until the defaulting party has fulfilled its obligation to place the bank guarantee or pay the Option Premium, declare default. Default cannot be declared after the obligation(s) have been abided with.

A Compliant Counterparty declares default by informing Fish Pool in writing that default is declared. Fish Pool shall within the following Trading Day inform the defaulting Counterparty that default has been declared, and ask for evidence if the defaulting Counterparty states that default has not occurred. Such evidence must be presented within the following Trading Day.

Fish Pool may in good faith and its sole discretion decide if such evidence is true and genuine and whether there was legal ground to declare the default. In case no such ground was present, the Trade shall be effective and in force. Fish Pool shall not have any liability towards any of the parties for decisions made subsequent to this clause, unless acting grossly negligent or with wilful misconduct.

In the event that a Compliant Counterparty elects to declare default, it may within two Trading Days after informing Fish Pool of the default, re-enter the Trade and claim compensation for loss in accordance with clause 4.

6. Settlement of Non-Cleared Trades

Settlement of Non-Cleared Trades shall take place directly between the Trade Members in accordance with the terms of the Trade as evidenced by the Trade Confirmation.

Fish Pool will calculate the Settlement amount, representing the difference between the Trade Price and the Fish Pool IndexTM monthly price, multiplied with the Trade Volume and will issue a Settlement Notice for Non-Cleared Trades to the Trade Members involved by the 15th in the month following the Contract Month.

Fish Pool will issue a Settlement Notice for Non-Cleared Options. In the event that the Option expires without an Option Cash Settlement the option value will be zero.

Settlement of Non-Cleared Trades shall take place monthly unless otherwise agreed between the Trade Members.

Payment is due 10 calendar days from reception of the invoice from the Counterparty, earliest due date is on the 25th of the month following the Contract Month. Invoice may be sent by e-mail, telefax or post.

Settlement shall be invoiced according to the applicable VAT-rules, as specified in the Settlement Notice.

Interest on overdue payment will be charged in accordance with the Norwegian Penalty Interest Act of 17 December 1976 no 100.

In case of non-payment, bank guarantee shall be used (if available) and Fish Pool shall be informed. Fish Pool may suspend a Trade Member from Trading until Settlement is executed

7. Settlement errors of Non-Cleared Trades

A Trade Member who wishes to invoke that a settlement is erroneous for example because of an error in the Fish Pool IndexTM must file a complaint to Fish Pool by phone, telefax or e-mail as soon as he discovers the error, or he will be deemed to have accepted the error.

Fish Pool may, in the event that it is discovered that a Settlement was erroneous in a material manner because of an error in the Fish Pool IndexTM, decide that a correction shall be effected among the Trade Members involved according to Appendix 2 of the Rulebook; Calculation of Settlement price.

8. Default rules in Settlement of Non-Cleared Trades

A Counterparty may declare default of the other Counterparty in the Trade if such Counterparty is unable to pay its debts as they fall due, admits its inability to pay its debts as they fall due, or is deemed under applicable law to be unable to pay its debts as they fall due.

Following procedures are to be followed to declare a Counterparty unable to pay its debts as they fall due:

- In case of a non-payment of a Non-Cleared Trade the Trade Member demanding payment can, after due date, issue a payment notice demanding payment within 10 calendar days.
- After due date of such payment notice the Counterparty demanding payment can issue a default notice, stating clearly that unless payment is received within 10 calendar days, default will be declared. The Counterparty demanding payment can also issue a notice of legal debt collection.
- After due date of the default notice, the Trade Member has the right to declare default in writing to the Counterparty with a copy to Fish Pool.

9. Rules for calculation claim in case of Settlement Default

After declaring default, the Trade Member has the right to re-enter the remaining unsettled months and volumes as Firm Order in www.salmonprice.com and find a Counterparty at best available price.

The Trade Member re-entering the Trade, and creditor for the non-payment, may thereafter claim the debtor for the net losses the Trade Member has suffered. The loss is defined as the difference between the new price and the price in the original Trade Confirmation multiplied with the volume in the original Trade Confirmation for the unsettled months. Net loss will be calculated as the sum of losses and profits for the unsettled months. A net profit for the unsettled months means no further obligations for either party, only unpaid invoices have to be settled.

For Options the option value calculation formula used by the Clearinghouse shall be used for calculating the Option Premium for the Option Holder that has declared the Option Writer default.

App i) Payment demand guarantee

Fish Pool recommended: Payment Demand Guarantee under URDG ICC 758

To: *(Insert name and contact info of the Beneficiary)*
Type of Guarantee: Payment guarantee
Guarantee No: *(Insert guarantee reference number)*
The Guarantor: *(Insert name of bank/guarantor)*
The Applicant: *(Insert name and address)*
The Beneficiary: *(Insert name and address)*
The Underlying Relationship: The Applicant's obligation in respect of Fish Pool Trade confirmation, Financial Salmon Contract No *(insert contract number)* dated *(insert date of the Trade confirmation)*

Guarantee Amount and currency: *(insert currency) and (guarantee amount in figures)*
(insert currency) and (guarantee amount in letters)

Any documents required in support of the demand for payment, apart from the supporting statement that is explicitly required in the text below:

1. Copy of unpaid invoice (s)
2. Settlement notice from Fish Pool ASA showing the amount the Applicant owes the Beneficiary.

Language of any required documents: English

Form of presentation: In paper form delivered by courier or mail.

If the beneficiary is in another country the following may be demanded: For the purpose of identification, any demand for payment has to be presented through the intermediary of a first class bank confirming that the signatures are authentic and legally binding.
Such confirmation can be sent by authorized SWIFT to *(insert SWIFT address of the guarantor)*

Place of presentation: By mail: *(postal address of the guarantor)*
by courier: *(delivery address of the guarantor)*

Expiry: *(Insert expiry date)*

The party liable for the payment of any charges The applicant

As Guarantor, we hereby irrevocably undertake to pay the Beneficiary any amount up to the Guarantee Amount upon presentation of the Beneficiary's complying demand, in the form of presentation indicated above, supported by such other documents as may be listed above and in any event by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, indicating in what respect the Applicant is in breach of its obligations under the Underlying Relationship.

Any demand under this Guarantee must be received by us on or before Expiry at the Place for presentation indicated above.

This Guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 revision, ICC Publication No. 758.

Signature(s)

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App ii) Trade confirmation



TRADE DATE/ORDER NO:

TRADE CONFIRMATION, FINANCIAL SALMON CONTRACT

Fish Pool ASA is pleased to confirm the Trade we have arranged for you as follows:

	Company	Company reg.no	Trader
Seller			
Buyer			

Hereafter called the Party or Parties where both Parties have confirmed to Fish Pool the following Trade.

Contracted month (s):	Contracted volume in tonnes:	Contracted price:	Settlement currency:

The Parties shall present the following bank guarantees:

	Amount and currency:	Issuing bank:	Reference:	Fax No. For bank guarantee:
Seller				
Buyer				

In order to formalise and thereby document the Trade and this contract both Parties shall sign the Trade confirmation and return by Telefax or pdf.scanned email to Fish Pool within, at latest 15:00 hrs the:

Send to Fish Pool fax number: +47 55 70 6701

The relevant Party(/ies) to the contract shall send the above specified bank guarantee to the telefax of the other Party, with a copy to Fish Pool, within at latest 15:00 hrs the

Place and date

Signature of registered Trader at Fish Pool or Responsible Person

Company

Repeat signature in block letters



Standard terms for Trade Confirmation:

If signed Trade confirmation or demanded Bank guarantees are not received within the specified time limits, the Trade member is in default. The counterparty who has complied with the agreed terms in the Trade confirmation has the right to cancel the Trade and claim the Trade member in Default for potential loss according to the terms of the Rulebook, see section 13: "Trade errors and Confirmation Default".

Settlement:

If the Fish Pool monthly settlement price is higher than the Contracted price, the Seller pays the difference multiplied with the Contracted volume in kg to the Buyer.

If the Fish Pool Monthly Settlement Price is lower than the Contracted price, the Buyer pays the difference multiplied with the Contracted volume in kg to the Seller. The Settlement procedure is documented in the Rulebook and its Appendices.

Each Contracted month will be settled separately based on the Fish Pool Index calculated for that month. Payment is due 10 calendar days from reception of the invoice from the Counterparty.

The Fish Pool Monthly Settlement Price and all contractual obligations in this Contract will be regulated according to the Rulebook and Appendices as valid for the Contracted month(s).

General provisions:

Both Parties confirm to have signed the Trade Membership Agreement and are obliged to follow the Rulebook and its Appendices. The terms and conditions in the mentioned rules are legally binding to both Parties, and are applicable in case of any conflict arising from this agreement.

In the event that this Trade confirmation should contain any error with respect to information about the Trade matched at Fish Pool, the correct information about the matched Trade as stored by Fish Pool shall prevail.

App iii) Settlement notice



Fish Pool Settlement notice for Non-Cleared Forward contracts:

Settlement notice identification:	Month:	Year:
Reference to Trade:		

	Seller	Buyer
Name		
Address		
Postal Code		
Country		
Fax. No.		
E-mail		

Settlement amount:

	Amount	Nomination	
Contract price according to Trade confirmation		NOK	per kilo
Fish Pool Monthly Settlement Price		NOK	per kilo
Settlement amount per kilo (the difference)		NOK	per kilo
Contracted volume		tonnes	
Total Settlement amount		NOK	

	of the contract shall pay the settlement amount
	shall invoice and receive the settlement amount

Settlement rules:

Payment is due 10 calendar days from reception of the invoice from the counterparty. Invoice shall be sent either by e-mail, telefax or by post. Earliest due date is on the 25th of the month following the contract month. Financial settlement shall be invoiced according to VAT-rules for financial contracts. In case of no payment, bank guarantee shall be used (if available), and Fish Pool shall be informed.

The settlement is supplemented by the Fish Pool Rulebook, moreover section 16, the Product Specification Appendix and other applicable Appendices.

This Settlement Notice is final provided that no corrections in the monthly settlement are discovered. In the event of calculation error or other errors in computing the monthly settlement price is discovered, the settlement amount may be corrected, according to the Fish Pool Rulebook and the Fish Pool Index Appendix.

Bergen, date :

Fish Pool ASA