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**APPENDIX B: MARKET MAKER OBLIGATIONS IN QUALIFYING  
SUBCLASSES OF DANISH EQUITY DERIVATIVES**

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## **1. GENERAL MARKET MAKER OBLIGATIONS**

### **1.1 Continuous Provision of Quotes**

The MM shall continuously provide bid and ask quotes in accordance with the conditions set out below in Sections 1.3–1.6:

1. during at least eighty per cent (80%) of normal trading hours excluding periods with Stressed Market Conditions, calculated as a total for all underlying instruments; and
2. during at least fifty per cent (50%) of normal trading hours including periods with Stressed Market Conditions and including days where a free day is used, calculated for each trading day per underlying instrument.

### **1.2 Number of Underlying Instruments**

The Exchange determines the from time-to-time applicable classification of Danish shares and share indices in two (2) classes and for each underlying instrument, the required number of Contracts to be quoted. The classes are designated as Class D1 and Class DX.

The MM, if to be defined as a Large MM, as a minimum undertakes to quote instrument Series based on a total of five (5) underlying instruments. From these, the MM shall select four (4) underlying instruments from Class D1. One (1) underlying instrument shall be determined by the Exchange and shall be selected to be regularly quoted by the MM.

In addition, the MM may undertake to quote instrument Series based on one or more underlying instruments selected from Class DX, subject to an additional incentive as set out in section 2.2.

The MM, if to be defined as a Small MM, shall in its undertaking include underlying instruments chosen by the MM.

The MM, if having a Large MM undertaking, may change its selection of underlying instruments in accordance with the prior paragraph, to take effect on the first trading day of a calendar month and in any case at the earliest thirty (30) days after the Exchange has received notification by the MM. Correspondingly, the MM will be notified thirty (30) days in advance regarding changes to the underlying instruments that the Exchange determines in accordance with the prior paragraph.

If the MM is prevented, due to a disruptive event outside the control of the MM and which the MM could not reasonably have foreseen or prevented by reasonable precaution, from executing hedging transactions in an underlying instrument part of its undertaking, the Exchange may allow the MM to replace the concerned underlying either by making a new selection, or request the Exchange to make a new determination, in accordance with the procedure set out in this Appendix, without being subject to the thirty (30) days' notice period. Such disruptive events, as determined by the Exchange, may include, but are not limited to, an extraordinary deterioration in the available liquidity in the concerned shares, or inability for the MM to borrow or maintain borrowing of, the concerned shares. The MM shall upon request provide the Exchange

with details evidencing its inability to execute hedging transactions in the concerned shares.

### 1.3 **Number of Expiration Months**

The MM shall provide quotes in instrument Series of the three (3) first listed Expiration Months in the underlying instruments.

The three (3) first listed Expirations Months shall be determined without regard to instrument Series which has the current day as the Expiration Day.

### 1.4 **Number of Instrument Series**

Single Stock Derivatives

The MM shall provide quotes in eleven (11) instrument Series per Expiration Month for the selected underlying instruments. The MM undertakes to quote pursuant to the following: five (5) call option instrument Series, five (5) put option instrument Series and one (1) forward/future. The option instrument Series that shall be quoted for each Expiration Month are the instrument Series which is at-the-money, the instrument Series which are closest to being in-the-money, and the three instrument Series which are closest to being out-of-the-money. In cases where instrument Series are not available for trading according to the above, the five instrument Series nearest at-the-money shall be quoted for each Expiration Month.

Index Derivatives

The MM shall provide quotes in seventeen (17) instrument Series per Expiration Month for the selected underlying instruments. The MM undertakes to quote pursuant to the following: eight (8) call option instrument Series, eight (8) put option instrument Series and one (1) forward/future. The option instrument Series that shall be quoted for each Expiration Month are the instrument Series which is at-the-money, the two (2) instrument Series which are closest to being in-the-money, and the five (5) instrument Series which are closest to being out-of-the-money. In cases where instrument Series are not available for trading according to the above, the eight (8) instrument Series nearest at-the-money shall be quoted for each Expiration Month.

The MM may replace its quoting obligation in the relevant forward/future by providing additional quotes in options. The MM shall then provide quotes in one (1) additional out-of-the-money call option instrument Series and one (1) additional out-of-the-money put option instrument Series for each Expiration Month where the MM has obligations.

### 1.5 **Number of Contracts (Minimum Quote Size)**

Each individual bid or ask price quoted by the MM shall be for at least the required number of Contracts, as determined by the Exchange from time to time and specified per underlying instrument in Appendix A for classification of qualifying subclasses.

## 1.6 Spread Requirements

Details on the available spread tables that define maximum bid-ask spread for different price ranges and expiration months, are specified in Schedules B1 and B2 of Appendix B – Market Maker Obligations in Qualifying Subclasses of Swedish Equity Derivatives.

Information on which spread table that applies for options per underlying Instrument, as determined by the Exchange from time to time, is specified in Appendix A - Classification of Qualifying Subclasses of Danish Equity Derivatives.

Information on which spread table that applies for index futures and single stock futures/forwards, respectively, is specified in Schedule B2 of Appendix B – Market Maker Obligations in Qualifying Subclasses of Swedish Equity Derivatives.

For outright instrument Series, the applicable spread will be determined by the quoted bid price.

No bid price is required by the MM in order to fulfil the spread requirements in a certain instrument Series, if the quoted ask price from the MM in that instrument Series is at or below the smallest defined spread in the applicable spread table.

During Stressed Market Conditions, the spread requirements will double for all instrument Series based on the concerned underlying instrument(s).

In case the price, volatility and/or liquidity for an underlying instrument change significantly, the Exchange may widen the spread requirements by assigning a different spread table. Such change can be implemented with shorter notice, at the earliest as of the next trading day, than the required thirty (30) days in advance notification regarding changes to the obligations in this Appendix.

## 2. ADDITIONAL INCENTIVES

### 2.1 Stressed market incentive

The MM is entitled to an additional rebate in accordance with the Market Maker Fee List if during Stressed Market Conditions and for the concerned underlying instrument(s), the MM continuously provide quotes:

3. During at least eighty per cent (80%) of the time with Stressed Market Conditions, calculated as a monthly average per underlying instrument.
4. In accordance with the quotation requirements set out in Sections 1.3–1.6.

### 2.2 Product growth segment incentive

The MM is entitled to an additional rebate in accordance with the Market Maker Fee List, regarding the respective underlying instruments selected from class D that have been quoted in accordance with the requirements set out in this Appendix.

## 3. EXCEPTIONAL CIRCUMSTANCES

Exceptional Circumstances is a market condition declared by the Exchange due to an extreme market situation as defined in Article 3 of Commission Delegated Regulation (EU) 2017/578. See also Section 2.6 of the Exchange Rules and the Market Model Nasdaq Derivatives Markets for further details.

During Exceptional Circumstances, temporary deviations from the obligations stated in this Appendix is allowed. Exceptional Circumstances will be treated on a case-by-case basis. During Exceptional Circumstances, quoting obligations are temporarily disabled.

Exceptional Circumstances can be applied for:

5. one or several market segments;
6. for all Market Makers; or
7. for a specific Market Maker.

### 3.1 **For a specific Market Maker:**

An MM can apply for Exceptional Circumstances due to its inability to maintain prudent risk management practices pursuant to Article 3 of the Commission Delegated Regulation (EU) 2017/578.

In case an MM applies for Exceptional Circumstances, it must submit a prompt notice of its inability to maintain prudent risk management practices to the Exchange. The notice shall be sent to [tradingoperations@nasdaq.com](mailto:tradingoperations@nasdaq.com) and shall outline the issue in detail and when it is expected to be resolved. Details shall for instance include whether the issue is of internal character or if it is related to an external supplier whereby the supplier shall be named. The MM must also submit a prompt notice when the issues have ended.

The Exchange may require the MM to submit additional details evidencing its inability to maintain prudent risk management practices.

Based on the provided evidence, the Exchange will on a case-by-case basis decide on whether the request shall result in Exceptional Circumstances whereby the MM's quoting obligations are temporarily disabled.

By default, declared Exceptional Circumstances are valid for one day. If the issues persist for more than one day, the MM must notify the Exchange each day separately.

## 4. **MISCELLANEOUS**

### 4.1 **Validity:**

The obligations defined in this Appendix are valid until further notice. The MM shall be notified thirty (30) days in advance regarding changes to the obligations in this Appendix.

### 4.2 **Monitoring:**

The Exchange shall monitor the MM's effective compliance with the requirements in this Appendix and determine if the MM shall be entitled to market maker fees in accordance

with the Market Maker Fee List based on the above required number of Contracts to be quoted for each underlying instrument.

**4.3      **Resumption of obligations:****

The MM shall resume trading as soon as possible in conjunction with the resumption of trading after Suspension of Trading, an extraordinary closure or after a period with Exceptional Circumstances and following Exchange Transactions.

**4.4      **Period of validity of quotes:****

The quotes are valid up to the making of a new quote with respect to the same instrument Series or until the revocation which is immediately followed by a new quote regarding the same instrument Series.

