



**ICAP ENERGY AS**

**POLICIES,  
OPERATIONS,  
PROCEDURES AND  
ROUTINES**

**EFFECTIVE NOVEMBER 1, 2007**



# ICAP ENERGY AS POLICIES, OPERATIONS, PROCEDURES AND ROUTINES

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Appendix 3: Group Accounting Manual



## 1. POLICIES

### 1.1 Introduction

These Policies, Operations, Procedures and Routines set forth in Chapters 1, 2 and 3 (“Procedures”) set out the rules, policies, procedures and routines which the employees of ICAP Energy AS must observe to achieve compliance with the requirements of the Security Trading Act (“STA”), the Norwegian Authorities, Kredittilsynet (“NFSA”), by which regulator ICAP Energy AS is regulated and the internal rules, policies and procedures of ICAP Energy AS.

As well as the provisions of the STA, rules and procedures of the NFSA and any in-house ICAP Energy AS rules, you are also required to be aware of and comply with, at all times, the rules of any exchange on which you affect deals and other relevant legislation.

**IT IS THE RESPONSIBILITY OF EVERY DIRECTOR AND EVERY EMPLOYEE TO OBSERVE THE SPIRIT AS WELL AS THE LETTER OF THESE PROCEDURES AND TO ACT WITH HIGH STANDARDS OF HONESTY AND FAIRNESS. IT IS A CONDITION OF EMPLOYMENT THAT YOU DO SO AND FAILURE TO DO SO CONSTITUTES SERIOUS MISCONDUCT AND COULD RESULT IN ACTION BEING TAKEN AGAINST YOU BY ICAP ENERGY AS’ REGULATORS.**



## 1.2 ICAP Energy AS & Compliance

Compliance has been an integral part of ICAP Energy AS' everyday business for some years now. The ICAP brand represents many regulated firms around the world carrying on a wide range of investment activities and employing hundreds of broking and dealing employees. The need for robust compliance arrangements is critical for us in view of the high profile ICAP has around the world.

ICAP Group has been regulated for many years now in one way or another. Over time, what we like to call a "compliance culture" has built up at ICAP where Senior and other Management in the front and back offices consider compliance at the same time as other business issues and this is the way it should be. To be more precise, ICAP employees should have a helpful, open and positive attitude towards Compliance issues and the Compliance Department and an understanding of its importance to the smooth operation of our business.

All Directors and employees are responsible for reading, understanding and observing all procedures applicable to them. If you do not understand how these procedures apply to you, or what action you should take in any circumstances, you should ask the Compliance Officer immediately. Ignorance or misunderstanding of these procedures will not be acceptable as an excuse for failing to comply with them.

These Procedures are subject to continuous review and new pages and/or amendments will be issued from time to time. Every effort has been made to ensure that these Procedures are accurate and reflect the type of business ICAP Energy AS carries on. However, employees who have any comments on the contents of the Procedures are asked to contact the Compliance Officer.

If you think you cannot fully comply with the following requirements in any circumstances, or if you have for any reason failed to observe any of them, you should immediately notify the Compliance Officer who will advise you on what steps to take.

You should also note that the contents of Procedures apply equally to electronic broking as well as voice broking. In view of this, and as necessary, the contents should be read in the context of the relevant method of broking. If you are unclear as to which company you are representing in a particular transaction, please contact the Compliance Officer.

**IF IN DOUBT, ALWAYS ASK THE COMPLIANCE OFFICER BEFORE YOU DO ANYTHING!**



## **1.3 Regulatory Background**

### **1.3.1 Overview**

Investor protection in Norway arises from the STA. Under the STA (and with certain very limited exceptions), a person, firm or company can only carry on regulated activities in Norway if it has been authorized to do so.

The NFSA is responsible for authorizing companies. ICAP Energy AS is regulated by the NFSA.

As a regulated entity, ICAP Energy AS must comply with the regulation under the STA and the supervision by the NFSA.

### **1.3.2 The Securities Trading Act (“STA”)**

STA regulates the performance of regulated activities in Norway and provides that anyone who carries on such activities must first obtain authorization.

The STA requires businesses such as ICAP Energy AS to be authorized to ensure that only people who are of sufficiently good repute and sufficiently experienced carry on investment business. Authorization is granted by the NFSA.

### **1.3.3 Regulations to the Securities Trading Act**

The STA is supplemented with regulations to the Securities Trading Act. These regulations contain more detailed information concerning the various legal issues covered by the STA.

The regulations will together with the STA regulate the business of ICAP Energy AS.

### **1.3.4 MiFID**

Directive 2004/39/EC on Markets in Financial Instruments (MiFID) entered into force 1<sup>st</sup> of November 2007. More detailed legislation concerning the implementation of the MiFID directive is given in Commission Directive 2006/73/EC and Commission Regulation (EC) No 1287/2006.

The MiFID Directive introduce common rules for investment firms in the EEA area, and MiFID will therefore apply to ICAP Energy AS’ activity in Norway as well as in branches in other states within the European Union.



### 1.3.5 Rules of the NFSA

ICAP Energy AS and its employees must observe the relevant regulation under the STA when carrying on regulated activities. The aim of these Procedures is to help employees avoid contravening STA regulations in the course of their day-to-day business. It identifies and explains procedures which, if followed, should ensure that particular rules are not broken.

These Procedures are not a substitute for specific rules or guidance. Where you are uncertain as to the application of rules or guidance, you *must* consult the Compliance Officer.

If the Company breaches the regulation of the STA because of any employee's act or omission then:

- NFSA may take disciplinary action against the firm or, in the case of a serious breach, withdraw the Firm's authorization altogether; and/or
- NFSA may take disciplinary action against the individuals involved.

Directors and employees of ICAP Energy AS may only engage in regulated activities in the course of carrying on the business of ICAP Energy AS. Again, you should consult the Compliance Officer if you have any questions in this regard.



## **1.4 Compliance**

### **1.4.1 Purposes and Objectives**

The purpose and objective of these Procedures, among other things, is to establish the framework by which ICAP Energy AS shall comply with the requirements of the STA and NFSA. Specifically, the purpose and objective of these Procedures is to put in place the management, organizational structure and rules, policies and procedures to insure that ICAP Energy AS, its Directors and all of its employees comply with the requirements of the STA and the NFSA. The Managing Director and Compliance Officer have been given the authority by the Board of Directors of ICAP Energy AS and are responsible for insuring ICAP Energy AS' and its employee's compliance with these Procedures. All employees, including Directors, senior management and employees are expected to and required to adhere to these Procedures.

ICAP Energy AS has established and maintains a permanent and effective compliance function which operates independently and which shall monitor and, on a regular basis, assesses the adequacy and effectiveness of the measures and procedures put in place to detect any risk of failure by ICAP Energy AS to comply with its obligations under the STA or MiFID and to the NFSA, as well as any associated risks. These Procedures put in place adequate measures and procedures designed to minimize such risk and to enable the NFSA and other relevant competent authorities to exercise their powers effectively under the STA or MiFID and which will enable ICAP Energy AS to advise and assist its employees who are responsible for carrying out any investment services and activities to comply with ICAP Energy AS' obligations under the STA.



## **1.5 Risk Management**

ICAP Energy AS has established and maintains adequate risk management policies and procedures which identify the risks relating to ICAP Energy AS' activities, process and systems, and where appropriate, set the level of risk tolerated by ICAP Energy AS.

ICAP Energy AS has adopted separate policies, rules, procedures, effective arrangements, processes and mechanisms to manage the risks relating to ICAP Energy AS' activities, processes and systems, in light of its level of risk tolerance.

ICAP Energy AS may have local risk policies that are required in order to follow local market requirements and will accordingly differ from Group level policies.

Policies concerning Risk Management are established at a Group level, and documentation is enclosed in the following appendixes:

**Appendix 1: Group Risk Policy**

**Appendix 2: Operational Risk Management Framework & Policy**



## **1.6 Internal Audit**

ICAP Energy AS has established and maintains an internal audit function which is separate and independent from the other functions and activities of ICAP Energy AS. The audit plan examines and evaluates the adequacy and effectiveness of ICAP Energy AS' systems, internal control mechanisms and arrangements, issues recommendations based on the result of work carried out in accordance with the foregoing, verifies compliance with those recommendations and reports in relation to internal audit matters to senior management in accordance with the provisions of the STA and MiFID.

ICAP Energy AS has adopted the internal audit procedures and policies as contained in the Operational Risk Management Framework & Policy as outlined in Chapter 3, cf. Appendix 2.

The Board of Directors has the overall responsibility for internal audits in ICAP Energy AS, and further information on internal audit routines can be found in the following documents:

**POPR Section 2.3                      Guidelines for the Board of Directors**

**POPR Section 3.2.5                Routine on Internal Control**



## **1.7 Communications and Reporting**

Communications by and to senior management, the Board of Director and all other employees shall be in accordance with the company's Reporting and Communications Policy as enclosed below. Senior management and the Board of Directors shall take all appropriate and necessary actions to insure that the company complies with all of its obligations pursuant to the STA, applicable securities laws and all other applicable laws.

### **1.7.1 ICAP Energy AS Reporting and Communications Policy**

ICAP Energy AS requires that its senior management and its Board of Directors receive sufficient and comprehensive information regarding the company's compliance with applicable laws and its own policies, procedures and routines to insure that ICAP Energy AS fulfills its obligations under all applicable laws, including all applicable securities laws. ICAP Energy AS also encourages open, honest and full communications at all levels of the company – not just senior management. While the company maintains formal lines of reporting authority, and expects employees to report and communicate necessary information pursuant to those lines of authority in order to insure that the company fulfills all legal obligations, every ICAP Energy AS employee is encouraged to communicate with each other and with senior management regarding formal or informal concerns, whether employee related or related to customer or business issues in order to insure that ICAP Energy AS and all of its employees fulfill their legal obligations and their obligations to the company.

The Managing Director and Compliance Officer, and where circumstances make appropriate the Board of Directors, are responsible for insuring the company's compliance with applicable securities laws.

The Managing Director and Compliance Officer shall periodically, and no less than annually, assess and review the effectiveness of the policies, arrangements and procedures put into place to comply with the obligations under applicable securities laws. Where appropriate the Board of Directors shall also assess and review periodically the effectiveness of such policies, arrangements and procedures.

The Compliance Officer shall provide inform monthly the Managing Director regarding the company's efforts regarding compliance, risk management and internal audit as required by applicable securities laws and whether appropriate remedial measures are being taken in the even that deficiencies occur. The Managing Director shall provide reports at least annually to the Board of Directors regarding the company's efforts regarding compliance, risk management and internal audit as required by applicable securities laws and whether appropriate remedial measures are being taken in the even that deficiencies occur.

Because compliance, risk management and internal audit are the responsibility of all employees, every employee is encouraged and expected to report to either the Managing



Director or Compliance Officer any information of which they are aware that would impact the effectiveness of the policies, arrangements and procedures put into place by the company to comply with its obligations under applicable securities laws.



## **1.8 Branch Office Operation**

Senior management and the Board of Directors shall take all necessary and appropriate actions to insure that all branch offices of ICAP Energy AS are created and operated in accordance with the STA, applicable securities laws and all other applicable laws. Branch offices shall be established and maintained in accordance with all applicable host country laws. The Managing Director shall also function as the permanent representative and shall have the overall responsibility to manage and insure that each branch office is operated in accordance with applicable laws and the company's internal routines and procedures. ICAP Energy AS shall appoint local managers to oversee, manage and insure that the day to day operations of each branch office are operated in accordance with applicable laws and the company's internal routines and procedures.

ICAP Energy AS will at a future perspective consider further expansion into commodity and commodity derivate markets as they erupt within the EEA. At the present time ICAP Energy AS has established 2 branches abroad, one in Amsterdam, The Netherlands and one in Madrid, Spain:

### **Madrid Branch Office:**

ICAP Energy AS - Madrid  
Avenida de la Vega 1  
Edificio Veganova Número 3, Office 15  
28018 Alcobendas, Madrid  
Spain  
Tel: 34 91 490 4063  
Fax: 34 91 661 9709

### **Amsterdam Branch Office:**

ICAP Energy AS - Amsterdam  
Teleport Towers, 7th Floor  
Kingsfordweg 151  
1043 GR Amsterdam  
The Netherlands  
Tel: +31 20 799 8400  
Fax: +31 20 491 7356

Further information about the establishment and responsibilities for branch office management can be found in the following documents:

**POPR Section 2.3**

**Guidelines for the Board of Directors**

**POPR Section 2.6.1**

**Job Description for the Managing Director**



## **1.9 Business Continuity**

The Managing Director and the Board of Directors shall take all necessary and appropriate actions to insure that all offices of ICAP Energy AS are able to continue business operations in the event of any emergency or disruption of its business or offices. For electronic broking the ICAP Group of companies provides IT services which insure the continued operation and business continuity of the company's total IT structure, including electronic trading platforms. ICAP Energy AS will keep in place with the ICAP Group of companies adequate relationships and services to insure that the company's electronic broking has adequate business continuity.

Routines and procedures in connection with business continuity are as follows:

- |                           |   |
|---------------------------|---|
| <b>POPR Section 3.3.2</b> | <b>ICT Routine</b>                                |
| <b>POPR Section 3.3.3</b> | <b>Disaster Recovery Policy (ICT)</b>             |
| <b>POPR Section 3.6.2</b> | <b>Routine Business Disruption, Voice Broking</b> |



## **1.10 Training and Competence**

As an employee of ICAP Energy AS you are expected to be and remain competent; you shall be appropriately supervised; your competence will be regularly reviewed; and, your competence shall be appropriate to the nature of ICAP Energy AS' business.

All employees are expected to comply with the Principles of Business as outlined in Chapter 2. All employees are expected to meet requirements of honesty, integrity, reputation, competency and capability.

The Compliance Officer is responsible for Training and Competence in ICAP Energy AS.



## **2. OPERATIONS**

### **2.1 Introduction**

The provisions of this Chapter 2 set forth with more specificity some of the guidelines that all directors and employees of ICAP Energy AS are expected to follow in order to comply with the policies stated in Chapter 1 of these Procedures in order to achieve compliance with the requirements of the STA and the NFSA.

**IT IS THE RESPONSIBILITY OF EVERY DIRECTOR AND EVERY EMPLOYEE TO OBSERVE THE SPIRIT AS WELL AS THE LETTER OF THE GUIDELINES CONTAINED IN THIS CHAPTER 2. IT IS A CONDITION OF EMPLOYMENT THAT YOU DO SO AND FAILURE TO DO SO CONSTITUTES SERIOUS MISCONDUCT AND COULD RESULT IN ACTION BEING TAKEN AGAINST YOU BY ICAP'S REGULATORS.**



## **2.2 Principles for Business**

ICAP Energy AS has adopted Principles for Business to ensure that all of the employees of the company at all times fulfill their obligations to the best interests of the company; to ensure that all the employees of the company fulfill their obligations to the best interests of their customers; and to ensure that all employees conduct the business of ICAP Energy AS according to applicable laws and regulations. The Principles for Business provide a general statement of the fundamental obligations of ICAP Energy AS and are intended to form a universal statement of the standards of conduct expected of ICAP Energy AS and its employees. ICAP Energy AS and all of its employees must comply with both the letter and the spirit of the Principles for Business contained in Procedure 2.2 at all times.

### **1: Integrity**

ICAP Energy AS must conduct its business with integrity.

### **2: Skill, Care and Diligence**

ICAP Energy AS must conduct its business with due skill, care and diligence.

### **3: Management and Control**

ICAP Energy AS must take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management systems.

### **4: Financial Prudence**

ICAP Energy AS must maintain adequate financial resources.

### **5: Market Conduct**

ICAP Energy AS should observe proper standards of market conduct.

### **6: Customers' interests**

ICAP Energy AS must pay due regard to the interests of its customers and treat them fairly.

### **7: Communications with customers**

ICAP Energy AS must pay due regard to the information needs of its customers, and communicate information to them in a way that is clear, fair and not misleading.

### **8: Conflicts of Interest**

ICAP Energy AS must manage conflicts of interest fairly, both between itself and its customers and between two or more of the company's customers.

### **9: Customers: relationships of trust**

ICAP Energy AS must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customers who is entitled to rely upon its judgment.



**10: Customers' Assets**

ICAP Energy AS does not and shall not put itself into a position to be responsible for customer's assets.

**11: Relations with Regulators**

ICAP Energy AS must deal with its regulators in an open and co-operative way, and disclose to the NFSA and other appropriate authorities anything relating to the firm of which the NFSA would reasonably be expecting notice.



## 2.3 Guidelines for the Board of Directors

The Board of Directors of ICAP Energy AS is ultimately responsible for the lawful conduct of the company's business. As a result, the Board of Directors has adopted guidelines to govern its conduct and to ensure that at all times it fulfills its obligations to the best interests of the company and in the best interests of its customers; that it competently supervises the company, its management and employees at all times; that it conducts the business of ICAP Energy AS, including its branch operations, according to applicable laws and regulations. The management of the company belongs under the Board of Directors. The Board of Directors shall ensure a sound organization of the business activities and shall comply with the letter and spirit of the Guidelines for the Board of Directors found in Procedure 2.3 at all times.

**ICAP Energy AS**  
**GUIDELINES**  
**For The Board of Directors**

This Manual is composed by ICAP Energy AS.

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Version: 1.1

Responsible up-dating: Compliance Officer

Approved:                      Managing Director

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

Approved:                      Chairman of the Board of Directors

\_\_\_\_\_

Date

\_\_\_\_\_

Signature



**Amendment Index**

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

**Review Index**

Date	Versjon	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
	1.1		Chairman of Board of Directors	

**Distribution**

Name	Executive position
	Managing Director
	Compliance Officer
	Chairman of the Board of Directors



## GUIDELINES

For The Board of Directors  
Of  
ICAP Energy AS

### **1. Introduction**

These guidelines are approved by the Board of Directors in the Board meeting of 15 August 2007 and shall be in effect from this date. Any amendment of these guidelines must be in writing and approved by the Board of Directors according to the company's by-laws.

These guidelines are adopted to ensure that the Board of Directors at all time fulfills its obligations to the best interests of the company; to supervise the company, its management and employees at all times; and to conduct the business of ICAP Energy AS, including its branch operations, according to applicable laws and regulations. The Board of Directors shall ensure a sound organization of the business activities

The Chairman of the Board may and might be obliged to act contrary to these guidelines if the situation at hand so requires. In such an event, the action taken by the Chairman must at all time be in the best interests of the company as long as such action does not interfere, reduce or in any other way harm the best interests of the customers, or in any way jeopardize any legal obligations. In such event the Chairman of the Board must as soon as possible inform the other Directors of the Board of the specific incident.

### **2. Board Meetings**

#### 2.1 Time and place

The Chairman and the Managing Director mutually decide when and where the Board Meeting will be conducted. Any Board Meeting, except for the Board Meeting described in section 2.4, may be conducted by telephone and/or video conference.

#### 2.2 Ordinary Board Meetings

The Board of Directors shall conduct four Board Meetings during the fiscal year (1 April – 31 March), normally one at the end of each quarter.

#### 2.3 Agenda

In every ordinary Board Meeting the following items must be addressed:

- Review of the minutes from the last Board Meeting
- Report from the Managing Director
- Any other matter placed on the Agenda by the Board



## 2.4 Year end

At the Board of Directors meeting which occurs during or immediately subsequent to the last quarter of the fiscal year the Board of Directors shall in addition to the items listed under section 2.3 undertake the following items:

- Approval of the annual accounts and the Board of Directors annual report
- Proposal of the disposal of the year end results
- Setting the date of the annual General Meeting

## 2.5 Budget

The Board of Director shall within or immediately subsequent to the end of each fiscal year approve next year's budget.

## 2.6 Extraordinary Board Meeting

Any Board decision not addressed in an ordinary Board Meeting may be undertaken in an extraordinary Board Meeting. The Chairman has the authority to summon the extraordinary Board Meeting.

## 2.7 Summons and documentation

All Directors of the board must be summoned to the Board Meetings. Unless waived by the members of the Board of Directors, the agenda and all other written documents must be dispatched by the Chairman and/or the Managing Director at least one week ahead of the Board Meeting.

Unless waived by the members of the Board of Directors, the Managing Director must present the agenda for the Board Meeting to the Chairman at the least seven days before the Board Meeting.

Unless waived by the members of the Board of Directors, in case of an extraordinary Board Meeting the agenda and all other written documents must be dispatched at least two days ahead of the Board Meeting.

## 2.8 Minutes

The Chairman is responsible that appropriate minutes from the Board Meeting are recorded. The minutes shall contain:

- All resolutions
- All essential written and oral records which the resolutions are based on
- Summary of any important discussions
- All other relevant information



The chairman is responsible for the distribution of the minutes to the directors of the Board as soon as possible after the Board Meeting. He must record any comments received from the Directors, so that the final minutes may be signed by all Directors of the Board in the next Board Meeting.

## 2.9 Conduct of the Board Meeting

The Board Meeting is conducted by the Chairman. In case of his absence the Board Meeting is conducted by the senior Director of the Board or the Director appointed by the Chairman.

## 3. Responsibilities

### 3.1 The Board of Directors

#### 3.1.1 General

The Board of Directors shall at all time ensure that the Managing Director at all times complies with the best interests of the company.

The Board of Directors shall ensure that company is at all times organized in an appropriate way and that all routines and the conduct of business are in compliance with laws and regulations and in accordance with the policies of the company.

The Board of Directors is responsible to decide the policies and the strategic planning for the company and at all times to ensure that any goal or strategy is achieved.

#### 3.1.2 Sovereignty of the Board of Directors

- Any investment or expenses exceeding the amount of € 10,000, which are not incorporated into the budget, must be decided by the Board of Directors
- Any disposal of any major asset exceeding the value of €10,000
- Establishing of any subsidiary or branch office
- Entering of any agreement concerning real estate
- Branch Office Operations
- Entering or termination of any agreement of irregular character
- Any other issue of irregular character or any issue of extraordinary economic substance
- Approval of introduction or removal of products/instruments to be offered to customers

### 3.2 Internal Routines

It is the responsibility of the Board of Director to ensure that the company at all times has incorporated adequate routines and controlling measurements. These routines and measurements comprise the following:

#### 3.2.1 Administrative, control and security routines



- Administrative and accounting routines
- Routines applicable to the provision 630 of 21.05.2003 (IKT-forskriften)
- Routines applicable to the provision 1080 of 22.09.2008 (Operational Risk and Internal Control)
- Job descriptions
- Securing of all relevant authorizations/proxies

### 3.2.2 Internal surveillance

- Ensure that all internal routines and any decisions or amendments of internal routines are complied with
- Ensure that no employees are in breach of personal engagement in any business activity
- Ensure that adequate ethical guidelines are incorporated and complied with

### 3.2.3 Compliance

- Ensure adequate routines and procedures to audit and reveal any irregularities of compliance
- Ensure adequate routines to control and reduce any risk of noncompliance

### 3.2.4 Risk management

- Ensure guidelines and routines for risk management and identification of risk to which the business is exposed
- Ensure routines for risk management adequate to the risk exposure of the business conducted

### 3.2.5 Securing, continuity and regularity

- Ensure adequate routines to secure vital information in case of any system breakdown/business disruption, cf. Section 3.3.3 Disaster Recovery Policy

### 3.2.6 Recordkeeping

- Ensure adequate routines for recording and recordkeeping of all investment services rendered and all transactions executed

### 3.2.7 Documentation of orders

- Ensure adequate routines of tape recording and recordkeeping of all orders, indicative or real
- Ensure adequate routines to record and for recordkeeping of all orders, indicative or real, communicated by any other means than by telephone



### 3.2.8 Customer categorization

- Ensure adequate routines to secure that services are only rendered to professional and eligible customers

### 3.2.9 Best execution, conflict of interest and order handling

- Ensure adequate routines for best execution
- Ensure adequate routines to avoid conflict of interest
- Ensure that that established procedures of order handling is secure, fair and effective

### 3.2.10 Branch Office Operations

- Approve the establishment of new branch offices

The listing of routines under section 3.2 must not be regarded as exhaustive, i.e. it falls always within the responsibility of the Board of Directors to take any measures to ensure that adequate routines and policies are implemented.



## **2.4 Ethical Guidelines**

ICAP Energy AS has adopted ethical guidelines to ensure that the employees of the company at all time fulfill their obligations to the best interests of the company; to fulfill their obligations to the best interests of their customers; and to conduct the business of ICAP Energy AS according to applicable laws and regulations. These guidelines are approved by the Board of Directors in the Board Meeting of 15 August 2007 and shall be in effect from this date.

### **2.4.1 Introduction**

Any amendment of these guidelines must be in writing and approved by the Board of Directors according to the company's by-laws. These guidelines are in addition to any other guidelines, routines, procedures and policies that ICAP Energy AS has adopted. These guidelines apply to all employees, whether an employee has a separate written contract of employment or not.

No employee may act contrary to these guidelines without the express permission of the Chairman of the Board of Directors. If this is the case the action taken by the Chairman and the employee must at all times be in the best interests of the company as long as such action does not interfere, reduce or in any other way harm the best interests of the customers or in any way jeopardize any legal obligations. In such event the Chairman of the Board must as soon as possible inform the other Directors of the Board of the specific incident.

### **2.4.2 Ethical Guidelines**

All ICAP Energy AS employees share a common responsibility for maintaining the European energy market's general standards of integrity and accuracy. These requirements are generally met through proper conduct and sound judgement.

ICAP Energy AS's ethical guidelines also serve to guide employees in situations that experience has shown can prove difficult. The purpose of the guidelines is to ensure that all work done at the different markets is conducted in a prudent manner. Integrity and professionalism are key elements in an organization such as ICAP Energy AS. This means all employees must act with due diligence, honesty, and impartiality.

The ethical guidelines supplement the contract of employment between the employee and ICAP Energy AS as the employer. ICAP Energy AS' business is always subject to current laws, rules and regulations. Laws and regulations issued by public authorities define what is legal and permissible. ICAP Energy AS' requirements for due diligence must be at least as strict as required under the statutory framework, regulations or legislative intent.

ICAP Energy AS may change, revise or add to its ethical guidelines from time to time, as it determines in its sole discretion; and, the Employee agrees that he shall abide by and shall be bound by all such ethical guidelines in effect during his employment with ICAP Energy AS, as changed, revised or supplemented by ICAP Energy AS from time to time. Some of the most important ethical guidelines, fundamental to ICAP Energy AS's operations, are presented below.



## *Personal relationships*

### **2.4.3 Responsibilities towards colleagues**

ICAP Energy AS wants to create a positive, engaging and challenging work environment. The basis for achieving this goal is mutual trust, cooperation and openness. All ICAP Energy AS employees are responsible for creating quality in both cooperation and work environment.

### **2.4.4 Responsibilities towards customers/suppliers, inducements**

No ICAP Energy AS employee should let decisions or actions be influenced by "gifts" or any other irregular inducements from parties who stand to gain from decisions or actions. Every employee must exercise caution regarding the receipt of gifts or other benefits from customers or suppliers.

### **2.4.5 Entertainment**

Employees representing ICAP Energy AS at professional events or meetings should conduct themselves in a manner that generates trust in ICAP Energy AS and in the employee.

Luncheons and dinner meetings should fulfil the purpose of building professional relationships with participants and other parties interested in the market. Such events are restricted to what is considered normal entertainment.

Your superior must approve, in advance of participation, trips, seminars, courses and other events paid for by parties other than ICAP Energy AS. Such trips, seminars and courses should maintain a satisfactory level of professional content.

## *Handling information*

### **2.4.6 Confidentiality/professional secrecy**

As an employee of ICAP Energy AS, you must maintain the confidentiality of all business matters, negotiations, operations and profits, personnel and so on, of which you gain knowledge through your work. It is particularly important to live up to your duty to preserve confidentiality regarding participants' bidding and trading information unless market standards permit otherwise.

### **2.4.7 Press and media**

Only ICAP Energy AS' Managing Director or other employees so authorized may make ICAP Energy AS related statements to the press or media.



#### **2.4.8 Change of employers**

An employee who has notified ICAP Energy AS of his/her resignation from employment may be “quarantined” or separated from service for all or part of the notice period. Cases will be handled on an individual basis

#### **2.4.9 Activities outside ICAP Energy AS**

ICAP Energy AS's employees may not:

- trade directly or indirectly in the energy markets in which ICAP Energy AS brokers or participate in businesses trading in the markets in which ICAP Energy AS brokers.
- be on the board of a company trading in the markets in which ICAP Energy AS brokers.
- work for other employers, run a business or be a board member of a business without written approval from ICAP Energy AS

#### **2.4.10 Declaration on Confidentiality, Engagement Restrictions and Inducements**

All employees must when employed by ICAP Energy AS sign the Declaration on Confidentiality, Engagement Restrictions and Inducements, c.f. Section 2.5.



## **2.5 Declaration on Confidentiality, Engagement Restrictions and Inducements**

This Declaration on Confidentiality, Engagement Restrictions and Inducements applies to all employees in ICAP Energy AS. The Declaration shall be signed by every employee and be regarded as an appendix to each employee's employment contract.

### **1. Confidentiality**

It is a condition as employee in ICAP Energy AS that no information, neither verbally, in writing or by any other media, which the employee has acquired in the course of, or for the purpose of their position at ICAP Energy AS must be disclosed or divulged to any individual, firm, company, authority, agency or other organization.

The employee also agrees to maintain confidentiality in respect of all information gained during the course of their duties, whether received verbally, in writing or any other media – now or in the future.

This clause of confidentiality does also apply after the conditions of employment have ended.

### **2. External Engagements**

No employee of ICAP Energy AS may take any commission, compensation or duty or in other ways be engaged in any activity or employment outside of ICAP Energy AS without the express written consent by the Board of Directors.

No employee of the company shall exercise any personal economic activity or interest which may come in conflict with the interests of ICAP Energy AS or its customers.

All employees shall conduct themselves in accordance with the company's Conflict of Interest policy and the company's Ethical Guidelines.

By way of illustration, and not limitation, ICAP Energy AS's employees may not:

- trade directly or indirectly in the energy markets or participate in businesses trading in the markets
- be on the board of a company trading in the markets
- work for other employers, run a business or be a board member of a business without written approval from the Board of Directors in ICAP Energy AS

### **3. Personal Account Dealing**

Personal account dealing is not allowed for financial instruments actively brokered ICAP Energy AS. . Additionally, ICAP Energy AS does not trade for its own account.



**4. Inducements**

No ICAP Energy AS employee should let decisions or actions be influenced by "gifts" or any other irregular inducements from parties who stand to gain from decisions or actions. Every employee must exercise caution regarding the receipt of gifts or other benefits from customers or suppliers. The Managing Director or Compliance Officer shall approve the receipt of any gift or other benefit exceeding more than a nominal value.

**5. Ethical Guidelines**

The employee agrees to have knowledge of ICAP Energy AS' ethical guidelines.

**6. Breach of Declaration**

By appending the signature to this Declaration the employee agree to all abide the Declaration at all times. Any breach of this declaration may lead to termination of the employment contract.

Place and date:

---

Signature:

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## **2.6 Job Descriptions**

Key senior management and other key employees are expected to carry out their job duties faithfully and in the best interest of ICAP Energy AS and in the best interest of their customers. ICAP Energy AS has identified the positions of Managing Director, Compliance Officer, Operations – Trade Systems Support Administrator, Broker, Back Office and Accounting Manager as key positions within the company for ensuring that ICAP Energy AS carries out its business functions in compliance with applicable laws and regulations, its own internal policies and procedures and for ensuring that ICAP Energy AS acts in the best interests of its customers. The functions and responsibilities of those employees and officers are spelled out in Job Descriptions in Section 2.6. Those employees and officers are expected and required to comply with both the letter and spirit of their job descriptions.





**Amendment Index**

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

**Review Index**

Date	Versjon	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
	1.1		Chairman of Board of Directors	

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Name	Executive position
	Managing Director
	Compliance Officer
	Chairman of the Board of Directors



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### **1. Responsibilities and Power**

The Managing Director is responsible for the day-to-day management of the company's activities and must follow the guidelines and orders given by the Chairman and the Board of Directors.

The Managing Director has the responsibility to ensure that ICAP Energy AS and its branch offices at all times conduct its business in compliance with laws and regulations and all internal procedures and routines and in accordance with the company's business policies. It is the Managing Director's responsibility, subject to direction from the Chairman and the Board of Directors, to take any adequate and required actions, whether this is initiated by a change of laws and regulations, or from the way the company conducts its ongoing business. The Managing Director represents the company if not delegated or otherwise decided.

ICAP Energy AS offers a trading facility in listed commodity derivatives that have energy and energy related products as underlying physical product – the ICAPMTF. The Managing Director has the overall responsibility for the services that ICAP Energy AS offers through the ICAPMTF.

### **2. Main Tasks**

The Managing Director, subject to the authority and approval of the Chairman and Board of Directors, is responsible for:

- All commercial activities and is the head leader of the organization
- Ensuring that the company and its employees exercise all duties according to the company's policy and routines



- Ensure that the business is performed according to approved budgets
- Ensuring that the company's accounts are at all time accurate and kept according to legal requirements
- Human Resources and Personnel
- Branch Office Operations
- At all time to inform the Chairman and the Board of Directors and employees about issues of vital importance for the performance of the company
- Ensuring that essential decisions are approved by the Board of Directors before executed. In events which require immediate action, the Managing Director must immediately report to the Chairman of the Board of Directors about the incident.
- Ensuring that regular reporting to the Board of Directors is executed
- Whenever required, ensuring that someone dedicated is appointed in the absence of the Managing Director
- Responsibility for introducing and removing products/instruments that are offered to customers
- Ensuring that the list of products/instruments traded on the ICAPMTF is at all times updated

The Managing Director shall also fulfill those duties imposed upon him by all applicable laws and regulations, including FOR 2008-09-22-No. 1080. Specifically, pursuant to and in compliance with the foregoing, the Managing Director shall:

- Establish proper risk management and internal control on the basis of an evaluation of the relevant risks in accordance with the guidelines issued by the Board;
- Regularly follow up changes in the enterprise's risk profile and ensure that the enterprise's risks are dealt with in a proper manner in accordance with the guidelines issued by the Board;
- Provide the Board with relevant and up-to-date information that is of importance for the enterprise's risk management and internal control, including information on any new risks;
- Ensure that risk management and internal control is documented;
- Ensure that risk management and internal control is implemented and monitored in a proper manner.



### **3. Power**

The Managing Director shall obtain prior approval by the Chairman of the Board of Directors for:

- Any investment or risk engagement exceeding the amount of €10.000, cf. section 2.3 (The Guidelines for the Board of Directors)
- Any investment or expenses exceeding the amount of €10.000, which is not incorporated in the budget must be decided by the Board of Directors, cf. section 2.3 (The Guidelines for the Board of Directors)
- Any disposal of any major asset exceeding the amount of €10.000, cf. section 2.3 (The Guidelines for the Board of Directors)
- Establishing of any subsidiary or branch office
- Entering of any agreement concerning real estate
- Entering or termination of any agreement of irregular character
- Any other issue of irregular character or any issue of extraordinary economic substance
- Any other issue as determined by the Chairman or the Board of Directors

### **4. Conflict of Interest**

The Managing Director cannot take any commission or duty or in other ways be engaged in any activity outside ICAP Energy AS without the express written consent by the Board of Directors.

The Managing Director shall not have or exercise any personal economic activity or interest which may come in conflict with the interests of ICAP Energy AS.

The Managing Director shall conduct himself or herself in accordance with the company's Conflict of Interest Policy, cf. Section 3.2.1.

### **5. Responsibilities to the Board of Directors**

The Managing Director shall be represented at all Board Meetings.

The Managing Director is responsible for the preparation of all Board Meetings. Included in these obligations are:



- Preparation of the agenda
- Preparation of all documents and reports to be addressed to the Board of Directors
- Address all issues presented to the Board of Directors unless otherwise decided by the Chairman of the Board
- Recording the minutes of the Board Meeting for approval by the Board of Directors. The minutes must be presented to the Chairman of the Board within five (5) business days after the Board Meeting

Within the last Board Meeting of the fiscal year the Managing Director shall present to the Chairman:

- The budget for next year
- Investments budget for next year

Ahead of the Board Meeting held within the end of March of each year the Managing Director shall present to the Chairman:

- The annual accounts (result and balance)
- Proposal of the disposal of the year end result
- Proposal of the annual report of the Board of Directors
- Proposal of the date of the annual General Meeting

The Managing Director is responsible to execute any decisions made by the Board of Directors unless otherwise decided by the Board of Directors.

## **6. Complaint Handling**

The Managing Director shall be made aware and receive any customer or employee complaint. In the case of any customer or employee complaint which involves a breach of conduct or breach of law the Managing Director shall inform the Chairman of the Board immediately.

## **7. Routines and Procedures**

The Managing Director is responsible to ensure that the company at all times has implemented and exercised adequate routines and procedures for the company's conduct of business in accordance with provision 1080 chapter 2 section 4 (Provision 1080 – Operational Risk and Internal Control). The Managing Director is responsible to take any adequate measurements to amend internal routines and policies when required by law and regulations, or when any specific situations or irregular events so require.

## **8. Operations, irregularities**

Subject to the supervision and direction from the Chairman and the Board of Directors, the Managing Director shall supervise the operational conduct of business. The Managing Director



must be available to support and able to take or advise any adequate measures in the event of any irregular operational situation.

## **9. Reporting**

All reporting from the Managing Director shall be addressed to the Chairman of the Board unless otherwise decided. In the event of any breach of conduct or breach of law or any internal routines and policies the Chairman of the Board shall immediately be informed.

## **10. Branch Office Operations**

The establishment of any new branch office shall require the approval of the Board of Directors. The Managing Director shall propose to the Board of Directors for its approval the specific terms and conditions for the opening of any new branch office. Such proposal shall address the following issues:

- Business and strategic need for a new branch office
- Economic consequences of a new branch office
- Technical requirements for the new branch office
- Employee requirements of a new branch office
- Legal and regulatory issues and requirements for a new branch office
- Costs to be incurred to open the new branch office
- Any other issues identified by the Board of Directors

Once the Board of Directors has approved the opening of a new branch office the Managing Director with the assistance of the Compliance Officer, and any other internal or external person as the Managing Director deems reasonable and necessary, shall take all legal, necessary and appropriate steps to open the branch office in compliance with all applicable laws, including Norwegian law and the law of the branch office's host state. The Managing Director shall operate as permanent representative for the branch office.

The Managing Director is responsible for the following tasks:

- Legal and regulatory filings
- Keeping the Board of Directors informed on all commercial and business matters
- Ensuring that the company and branch office employees exercise all duties according to the company's policies and procedures

## **11. Approval of new Products/Instruments**

The Managing Director is responsible for maintaining and updating the list of products that ICAP Energy AS is trading.

The Managing Director is responsible for proposing new trading products/instruments to the Board of Directors. When approval by the Board of Directors is given the Managing Director is



responsible for supplementing new products/instruments to the trading list. The same routine applies to the removal of products/instruments.

The Managing Director is also responsible for monitoring and maintaining the list of instruments traded on the ICAPMTF. New instruments may be added to the trading list in accordance with the same procedure as for other trading products, i.e. the instruments shall be approved by the Board of Directors.

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## **2.6.2 Operations –Trade Systems Support Administrator**

**ICAP Energy AS**

### **Job Description for Operations – Trade Systems Support Administrator**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Approved by Managing Director: 15 August 2007; revisions approved 9 February 2009.

Reference number: POPR 2.6.2

Version: 1.1

Responsible up-dating: The Compliance Officer

Approved:                   Managing Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Approved:                   Chairman of the Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature



**Amendment Index**

Date	Edited by	Version	Comments
		1.0	New
		1.1	Revised

**Review Index**

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7. Internal Audit
8. Reporting
9. Complaint Handling

### **1. Introduction**

ICAP Energy AS is regulated according to the Security Trading Act (STA) and holds an approved license as an investment firm by Kredittilsynet (NFSA). The company is subject to supervision by the NFSF and/or equivalent authorities in the countries where ICAP Energy AS operate branch offices.

Compliance is an essential obligation under the license granted to the company. It is therefore of essential nature that ICAP Energy AS and its branch offices at all time conduct its business and comply with any applicable laws and regulations and internal routines and procedures at all time.

### **2. Responsibilities and Power**

The Trade Systems Support Administrator is the key responsible person on a day to day level to provide both internal and external support for all back-office applications and their associated procedures, including but not limited to GUIBOS Application Administration and Development – ICAP Global Back-Office Application; Trayport (ICAPMTF) Administration and Development – ICAP Trading System for Commodities; Market/Business Research/Analysis; and, Communication System Management.

The Operations – Trade Systems Support Administrator is responsible for support and development of ICAP Energy AS' IT solutions and administrative processes. The Operations – Trade Systems Support Administrator is also contact person for internal and external partners on operational issues and project responsible for other initiatives like E-World Essen, Charity Day etc. Other responsibilities will be to create standard and ad-hoc management and customer reports as well as various administrative tasks related to accounting and back office.

### **3. Main Tasks**

- Monitoring and maintenance of routines and procedures.
- Internal routines, procedures and records.



- Support and development of ICAP Energy AS' IT solutions and administrative processes (Operations Management).
- Ensure that the Rulebook for ICAP Energy AS' MULTILATERAL TRADING FACILITY for trading in financial instruments, commodity derivatives at all times is updated and maintained.
- Market Surveillance of the ICAPMTF according to rules and regulations in Securities Trading Act), the Market Surveillance Rules (2001) and the EU's Market Abuse Regulations (*Directive 2003/6/EC on insider dealing and market manipulation*).
- Maintain and administer ICAP Energy AS's back-office application GUIBOS in accordance with regulatory requirements.
- Maintain and administer ICAP Energy AS's electronic trading application "Trayport" (which is platform for ICAPMTF) in accordance with regulatory requirements.
- Create, manage and maintain appropriate market or business related reports.
- Maintain ICAP Energy AS's inter-dealer phone system and voice recording system in accordance with regulatory requirements.

#### **4. Operations**

##### **Trading applications:**

*Trayport trading screens, Trayport admin tools*

- Daily support and trouble shooting for brokers, traders and back office (all applications)
- Business responsible for development and introduction of new features on Trayport and related processes. Main contact person for Trayport Ltd.
- Liaise with LDN IT and commodities back office on common Trayport issues, both operative tasks and long term projects

##### **Back office and surrounding applications:**

*GUIBOS, SDM, ReGen, Proofing Tool, iExpenses, Essbase, Hyperion Analyzer*

- First level user support internally
- Business responsible for development and introduction of new features in GUIBOS
- Introduce new processes, train and consolidate in ICAP Energy AS' organization
- Liaise with LDN IT on both operative tasks and long term projects

##### **Administrative tasks:**

- Overview and review processes



- Coordinate
- Reporting
- Contract management (Indemnity agreements, Give-Up agreements) Create and follow-up. Contact person for brokers and customers.

**Basic support of IT equipment (desk top, outlook, windows applications, citrix)**

- User support and trouble shooting
- Install new applications on desk tops
- Set up new computers
- Basic support of servers - liaise with external IT company and London when necessary

**5. Reporting and Routines**

The Operations –Trade Systems Support Administrator shall report to the Managing Director for day-to-day business functions. In addition, a monthly operations report shall be submitted to the Managing Director and Compliance Officer. The report will ensure all critical systems are in good working order.

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**Amendment Index**

Date	Edited by	Version	Comments
		1.0	New
		1.1	Revised

**Review Index**

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	1.0		Managing Director	
	1.1		Managing Director	

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### **1. Introduction**

ICAP Energy AS is regulated according to the Security Trading Act (STA) and holds an approved license as an investment firm by Kredittilsynet (NFSA). The company is subject to supervision by the NFSFA and/or equivalent authorities in the countries where ICAP Energy AS operates branch offices.

Compliance is an essential obligation under the license granted to the company. It is therefore of an essential nature that ICAP Energy AS and its branch offices at all times conduct its business and comply with any applicable laws and regulations and internal routines and procedures at all times.

### **2. Responsibilities and Power**

The Compliance Officer is the key responsible person on a day-to-day level to monitor and ensure that the company's conduct of business is according to any applicable laws and regulations and internal routines and procedures at all times.

It is of essential interest for the company that all employees at all times have appropriate knowledge of the functions and responsibilities of the Compliance Officer. In addition to the monitoring responsibilities, the Compliance Officer is also the key responsible person to supervise and update any legal requirements and to inform any and all employees in this respect.

### **3. Main Tasks**

- Monitoring and maintenance of routines and procedures.
- Internal routines, procedures and records.



- In conjunction with the Trade Systems Support Administrator, ensure that the Rulebook for ICAP Energy AS' MULTILATERAL TRADING FACILITY for trading in financial instruments, commodity derivatives at all times is updated and maintained.
- Market Surveillance of the ICAPMTF according to rules and regulations in Securities Trading Act), the Market Surveillance Rules (2001) and the EU's Market Abuse Regulations (*Directive 2003/6/EC on insider dealing and market manipulation*).
- Training and Competence.
- Internal Audit.
- Reporting.
- Complaint Handling.

#### **4. Monitoring and Maintenance of Internal Routines and Procedures**

The Compliance Officer is responsible to supervise and to ensure that all internal routines and procedures are updated whenever required by law and regulations or improving measurements. Whenever routines and procedures are revised or amended the Compliance Officer must ensure that this is adequately recorded. All amendments shall be approved by the Managing Director and/or the Board of Directors.

Routines and procedures to be monitored are:

- Conflict of interest
- Best execution
- Risk management
- Customer handling
- External Reporting routines
- Record keeping
- Other tasks as determined by the Board of Directors
- Other tasks as applicable law may require

This list is not exhaustive.

#### **6. Training and Competence**

The Compliance Officer shall at least annually train the employees in laws and regulations applying to the organization which is implemented in ICAP Energy AS' internal routines and procedures.



## **7. Internal Audit**

The Compliance Officer, in conjunction with the Managing Director, shall once a year conduct an audit of the internal routines and procedures. The audit shall comprise the following:

- Survey and document risk exposed issues/areas
- Document considered measurements to be exercised for risk reduction

## **8. Reporting**

The Compliance Officer shall report to the Managing Director for day-to-day compliance functions. The Compliance Officer shall also report independently to the Board of Directors in order to provide independent monitoring and enforcement of the duties of the Compliance Officer relating to applicable securities and other laws and the company's policies, procedures and regulations with regard to its compliance with applicable securities and other laws.

The Compliance Officer shall on a regular basis report to:

- To the Managing Director - monthly
- To the Board of Directors - annually

In addition to the reporting routines expressed above it is the responsibility of the Compliance Officer at all time to report directly to the Managing Director any incidents and irregularities that the Compliance Officer becomes aware of. The reporting shall be conducted immediately by e-mail to the Managing Director. The Managing Director has the responsibility to decide what adequate measurements are to be executed concerning the actual situation at hand. Any failure to take proper action by the Managing Director shall be reported to the Chairman of the Board of Directors.

In the event that reporting to any authority of the actual incidents is required, the Compliance Officer must ensure that adequate reporting is executed. Such reporting shall be executed under the supervision of the Managing Director.

## **9. Complaint Handling**

The Compliance Officer shall be notified of any customer or employee complaint which involves a breach of conduct or breach of law. The Compliance Officer shall notify the Managing Director and the Chairman of the Board immediately after registration of any such breach.

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## 2.6.4 Broker

**ICAP Energy AS**

### **Job Description for Broker**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Reference number: POPR 2.6.4

Version: 1.1

Responsible up-dating: Managing Director

Approved:                   Managing Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Approved:

Chairman of the Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature



### Amendment Index

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

### Review Index

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	1.0		Chairman of Board of Directors	
			Managing Director	
	1.1		Chairman of Board of Directors and Managing Directors	

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	Broker



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4. Obligations to the Managing Director
5. Complaint Handling
6. Reporting

### **1. Responsibilities and Power**

The brokers' responsibilities and power:

- (a) To arrange transactions for customers in accordance with the relevant custom or practice and as directed by management. The broker's authority is to broker transactions between customers of the company in the normal course of daily business. The broker does not have any other authority to enter into or cancel any agreement or obligation on behalf of the company.
- (b) To gain additional customers for the desk;
- (c) To undertake any other duties as directed by senior management.

### **2. Main Tasks**

The brokers' responsibilities include:

- (a) Undertaking the role to the best of their abilities and in a professional manner.
- (b) Acting with integrity, due skill, care and diligence in the discharge of their responsibilities
- (c) Observing proper standards of market conduct in the discharge of their duties;
- (d) Maintaining an up to date knowledge of the products and markets in which the brokers may arrange or deal;
- (e) Maintaining the confidentiality of any information regarding the group's business, including the trading activities of customers;
- (f) Observing the obligations under the relevant legislation and regulations;
- (g) Process all information to Back Office according to the Back Office Routine, cf. Section 3.4.1.



- (h) Complying with all applicable company and compliance rules and regulations, including but not restricted to:
  - 1) personal account dealing rules;
  - 2) internal procedures e.g. gifts and entertaining policy;
  - 3) the recording and booking of trades;
  - 4) any applicable exchange rules or regulations.
- (i) Keeping secret any relevant logons or passwords for accessing systems;
- (j) Informing the desk manager or managing director of any potential compliance issues the broker become aware of or have a concern about;
- (k) Customer may register Orders in ICAPMTF by calling ICAP Energy AS' Broker by telephone. Changes or cancellations may take place in the same way. The Broker shall register the Orders in ICAPMTF as quickly as possible and preferably at the same time as the Order is received by the Broker.

### **3. Conflict of Interest**

The brokers are required to conduct themselves at all times in accordance with the company's Conflict of Interest Policy which is part of the Policies, Operations, Procedures and Routines, cf. Section 3.2.1.

### **4. Obligations to the Managing Director**

The brokers are expected to follow the lead and instructions of the Managing Director as directed by the Chairman and the Board of Directors.

### **5. Complaint Handling**

The broker shall make the Managing Director or Compliance Officer aware of any complaint you receive from a customer. If the broker has an employee complaint he or she shall notify Managing Director. If the employee complaint involves a breach of conduct or breach of law you shall notify the Managing Director or Compliance Officer.

### **6. Reporting**

The brokers' immediate reporting line is to the Managing Director of ICAP Energy AS or otherwise as separately notified to you from time to time.



## 2.6.5 Back Office

**ICAP Energy AS**

### **Job Description for Back Office**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Reference number: 2.6.5

Version: 1.1

Responsible up-dating: Managing Director

Approved:                      Managing Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Approved:

Chairman of the Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature



**Amendment Index**

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

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Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
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5. Obligations to the Managing Director
6. Complaint Handling
7. Reporting

### **1. Responsibilities and Power**

Back Office's responsibilities and power include:

- a) Undertaking a role to the best of his or her's abilities and in a professional manner;
- b) Acting with integrity, due skill, care and diligence in the discharge of responsibilities;
- c) Observing proper standards of market conduct in the discharge of duties;
- d) Maintaining the confidentiality of any information regarding the group's business, including the trading activities of customers;
- e) Observing the obligations under the relevant legislation and regulations;
- f) Keeping secret any relevant logons or passwords for accessing systems;
- g) Informing the Managing Director of any potential compliance issues the employee become aware of or has a concern about.

### **2. Main Tasks**

- a) To provide internal support for the brokers.
- b) To operate and register electronic and voice executed trades using Trayport GlobalVision Deal Editor Tool and/or GUIBOS (ICAP Energy's deal registration application).
- c) To ensure that all applicable information is transmitted to relevant Exchange and Clearing facilities, unless otherwise specified.
- d) To register exchange based trades with various exchanges following the rules and regulations governing such registrations.



- e) To manage traveling expenses and office costs, secretary issues, booking of flights and hotels and other ad hoc issues on request.
- f) To undertake any other duties as directed by senior management.
- g) To produce Reconciliation Reports – end of day or mid-day reconciliation reports as requested by customers or Exchanges.
- h) To provide Back Office support to ICAPMTF.

### **3. Registration of Transactions**

Back Office's authority is to register transactions between customers of the company in the normal course of daily business. Back Office does not have any other authority to enter into or cancel any agreement or obligation on behalf of the company.

### **4. Conflict of Interest**

Back Office is required to conduct their tasks at all times in accordance with the company's Conflict of Interest Policy which is part of these Procedures.

### **5. Obligations to the Managing Director**

Back Office reports directly to the Managing Director and is expected to follow his or her lead and instructions.

### **6. Complaint Handling**

Back Office shall make the Managing Director or Compliance Officer aware of any complaint received from a customer. If Back Office has an employee complaint they may notify Managing Director. If the employee complaint involves a breach of conduct or breach of law Back Office shall notify the Managing Director or Compliance Officer.

### **7. Reporting**

Back Office immediate reporting line is to the Managing Director of ICAP Energy AS or will otherwise be separately notified from time to time.



## 2.6.6 Accounting Manager

**ICAP Energy AS**

### **Job Description for Accounting Manager**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Approved by Managing Director: 15 August 2007; revisions approved 9 February 2009.

Reference number: POPR 2.6.6

Version: 1.1

Responsible up-dating: Accounting Manager

Approved:                      Managing Director

\_\_\_\_\_  
Date                                      Signature

Approved:                      Chairman of the Board of Directors

\_\_\_\_\_  
Date                                      Signature



### Amendment Index

Date	Edited by	Version	Comments
		1.0	New
		1.1	Revised

### Review Index

Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman	
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	1.1		Chairman and Managing Director	

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	Managing Director
	Accounting and Finance



## **Table of contents**

1. Responsibilities and Power
2. Main Tasks
3. Reporting Duties and Routines
4. Obligations to the Managing Director
5. Complaint Handling
6. Reporting

### **1. Responsibilities and Power**

The Accounting Manager's responsibilities are to perform the daily finance and accounting functions of ICAP Energy AS and to oversee, administer and manage all finance, accounting and related functions on behalf of the company.

### **2. Main Tasks**

Main Tasks to be performed:

- Billing and collections
- Accounts payable
- General ledger accounting
- Payroll
- Bank reconciliations
- Production and distribution of financial reports
- Budget preparation
- Assistance with audit preparation
- VAT Returns
- Regulatory Financial Reporting

### **3. Reporting Duties and Routines**

It is the responsibility of the Accounting Manager at all times to report directly to the Managing Director any issues, important facts, incidents and irregularities that the Accounting Manager becomes aware of related to the finance and accounting function.



#### **4. Obligations to the Managing Director**

The Accounting Manager reports directly to the Managing Director and is expected to follow his or her lead and instructions.

#### **5. Complaint Handling**

The Accounting Manager shall make the Managing Director aware of any customer complaint or any complaint related to the finance and accounting function. If a complaint involves a breach of conduct or breach of law you shall notify the Managing Director or Compliance Officer.

#### **6. Reporting**

The Accounting Manager shall report to the Managing Director or as otherwise as separately notified from time to time.



## **PROCEDURES & ROUTINES**

### **3.1 Introduction**

The procedures and routines set out in this Chapter 3 set forth with more specificity the actions that ICAP Energy AS and its directors and employees are expected to follow in order to comply with the policies and guidelines stated in Chapters 1 and 2 of these Procedures in order to achieve compliance with the requirements of the STA and the NFSA as well as the company's internal policies and procedures.

**IT IS THE RESPONSIBILITY OF EVERY DIRECTOR AND EVERY EMPLOYEE TO OBSERVE THE SPIRIT AS WELL AS THE LETTER OF THE ROUTINES CONTAINED IN THIS CHAPTER 3. IT IS A CONDITION OF EMPLOYMENT THAT YOU DO SO AND FAILURE TO DO SO CONSTITUTES SERIOUS MISCONDUCT AND COULD RESULT IN ACTION BEING TAKEN AGAINST YOU BY ICAP'S REGULATORS.**



## **3.2 General Procedures**

The general procedures contained in this Section 3.2 are procedures which apply to all employees of ICAP Energy AS. All employees shall comply with not only the letter of these general procedures but shall also comply with the spirit of the procedures. Any employee who is unsure of the proper course of action to be taken in order to comply with these general procedures should contact the Compliance Officer or the Managing Director regarding the proper course of action to be taken.





### Amendment Index

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

### Review Index

Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
	1.1		Chairman of Board of Directors	

### Distribution

Name	Executive position
	Managing Director
	Compliance
	Chairman of the Board of Directors



## **Table of contents:**

1. Introduction
2. Purpose
3. Identification of Conflicts of Interest
4. Measures to avoid Conflicts of Interest
5. Procedure when Conflicts of Interest occurs
6. Responsibilities

### **1. Introduction**

ICAP Energy AS is strictly a broker of over the counter (OTC) energy and energy related commodities. ICAP Energy AS does not offer investment advice or other investment or ancillary services. ICAP Energy AS does not deal for its own account. Personal transactions by ICAP Energy AS' employee are not permitted. As a result, it is very unlikely that conflicts of interest will arise. However, it is ICAP Energy AS' policy to identify the possible conflicts of interest which might occur however small the possibility that such a conflict of interest might arise; to avoid and eliminate any possibility of conflicts of interest with its customers; and to take appropriate remedial and disciplinary actions to insure that any conflicts of interest are eliminated and does not occur again.

### **2. Purpose**

The purpose of this routine is to avoid possible conflicts of interest in ICAP Energy AS.

### **3. Identification of Conflicts of Interest**

From time to time ICAP Energy AS will identify types of conflicts of interest which might arise in the course of providing services to its employees. Additionally, ICAP Energy AS' employees are also required to identify potential conflicts of interest which might arise in the course of their daily business. As a result, both ICAP Energy AS and its employees shall consider the following:

- a) Whether ICAP Energy AS or the employee is likely to make a financial gain, or avoid a financial loss, at the expense of the customer;
- b) Whether ICAP Energy AS or the employee has an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer, which is distinct from the customer's interest in that outcome;
- c) Whether ICAP Energy AS or the employee has a financial or other incentive to favor the interest of another customer or group of customers over the interests of the customer;



- d) Whether ICAP Energy AS or the employee carries on the same business as the customer; and
- e) Whether ICAP Energy AS or the employee receives or will receive from a person other than the customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

ICAP Energy AS acts strictly as a broker and does not offer other investment or ancillary services. As a broker ICAP Energy AS will not have an interest in the outcome of the services provided to its customers and does not engage in the same business as its customers. As a result, the likelihood of conflicts of interest is small. However, ICAP Energy AS has identified certain instances where conflicts of interest may arise. ICAP Energy AS shall review and revise and supplement these items from time to time. ICAP Energy AS and employees shall be aware of the following circumstances which constitute of may give rise to a conflict of interest:

- a) A breach by ICAP Energy AS or its employees of confidential information given to ICAP Energy AS or the employee by a customer;
- b) The receipt by ICAP Energy AS or its employees of any inducement other than the standard fee or commission in relation to the service provided;
- c) The provision by ICAP Energy AS or its employees of any improper inducement or gifts to a customer in order to do business with ICAP Energy AS;

#### **4. Measures to avoid Conflicts of Interest**

Therefore, ICAP Energy AS and all of ICAP Energy AS' employees shall adhere to the following requirements:

- a) Employees shall use the highest standard of integrity when dealing with customers.
- b) ICAP Energy AS and its employees shall disclose to its customers, when required or when appropriate, the general nature and sources of conflicts of interest to its customers before undertaking business on behalf their behalf in sufficient detail to enable the customers to take an informed decision with respect to the investment services or activity in the context of which the conflict of interest arises or may arise.
- c) Employees shall regard all information obtained by them during the course of employment as confidential and only disclose the same to those entitled to receive it or with the prior approval of the Compliance Department.
- d) Employees shall act in the best interest of their customer at all times and disregard any material interests or conflicts when advising, speaking to or dealing with or for, customers.



- e) Customers should be informed of the relationship where the counterpart to the deal is another ICAP company or where the services of another ICAP company are recommended.
- f) Employees shall not accept gifts from any person which could conflict with their duties to the company or its customers.
- g) Employees shall not provide gifts to any customer or person who could conflict with their duties to the company or its customers.
- h) ICAP Energy AS and its employees shall only accept a fee or commission paid to ICAP Energy AS by its customers as compensation for services rendered to its customers; such fee or commission must be reasonable given the circumstances of the transaction brokered; the fee or commission must be disclosed in advance and agreed to by the customer; and, any fee or commission may not give rise to conflicts with the ICAP Energy AS' duties to act honestly, fairly and professionally in accordance with the best interests of its customers.
- i) Guidance on this routine is contained in the Procedures. Any questions regarding the routine and its interpretation should be referred to the Compliance department.
- j) Employees shall not engage in any other investment or ancillary services or activities which might impair the proper management of conflicts of interest without first notifying the Compliance department or the Managing Director and receiving the company's express permission to engage in such services or activities.

## **5. Procedure when Conflict of Interests occurs**

In the event that a conflict of interest arises ICAP Energy AS and its employees shall take all or any of the following actions as appropriate for the circumstances:

- a) Employees shall immediately notify the Compliance Officer or Managing Director of any conflict of interest.
- b) The Compliance Officer and the Managing Director shall immediately notify the Board of Directors of any conflict of interest if appropriate or necessary under the circumstances.
- c) ICAP Energy AS shall immediately notify its customer of the conflict of interest.
- d) Where appropriate ICAP Energy AS shall notify the NFSA of the conflict of interest.
- e) ICAP Energy AS shall maintain a permanent record of the occurrence of all conflicts of interest which arise.



- f) ICAP Energy AS shall keep and regularly update a record of the kinds of investment or ancillary service or investment activity carries out by or on behalf of ICAP Energy AS in which a conflict of interest entailing a material risk of damage to the interests of one or more of its customers has arisen or may arise.
- g) Any employee who engages in a conflict of interest is subject to appropriate disciplinary action by ICAP Energy AS, including restrictions on brokering activity, restrictions on customers with whom the employee may do business with and if the circumstances dictate termination of the employee's employment with ICAP Energy AS.

## **6. Responsibilities**

The Managing Director and the Compliance Officer have been given the authority and have the responsibility to enforce this policy and to take any reasonably necessary action to insure that all employees comply with the terms of this policy.



### **3.2.2 Anti-Money Laundering Routine/Identification Policy**

**ICAP Energy AS**

#### **Anti Money Laundering Routine**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Reference number: POPR 3.2.2

Version: 1.1

Responsible up-dating: Compliance Officer

Approved:                      Managing Director

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

Approved:

Chairman of the Board of Directors

\_\_\_\_\_

Date

\_\_\_\_\_

Signature



**Amendment Index**

Date	Edited by	Version	Comments
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		1.1	Revised version

**Review Index**

Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
	1.1		Chairman of Board of Directors	

**Distribution**

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	Managing Director
	Compliance
	Chairman of the Board of Directors



## **Table of contents**

1. Introduction
2. Purpose
3. Identification Control
4. Internal Reporting
5. Reporting to Økokrim

### **1. Introduction**

This routine is adopted in accordance with The Money Laundering Act clause 13. The routine applies to all employees.

The Compliance Officer is responsible for updating the routine in accordance with Norwegian legislation.

### **2. Purpose**

The purpose of this routine is ensure that no money laundering activity is executed by ICAP Energy AS, and that any suspicious transactions are treated in accordance with the requirements in the Money Laundering Act.

### **3. Identification Control**

. ICAP Energy AS shall require the customer to show or provide valid proof of identity. The broker shall control whether any person who operates on behalf of the customer has the required authority to do so.

Any questions regarding identification control shall be addressed to the Compliance Officer.

### **4. Internal Reporting**

All employees shall keep a high level of awareness towards possible situations of money laundering. Money laundering includes possible transactions connected to legal offences covered by the Criminal Code clause 147 a or 147 b (funding of terror acts).

All suspicious transactions shall immediately be reported to Compliance Officer which shall initiate adequate measures such as investigations to reveal whether money laundering is about to take place.

Suspicious transactions shall not be executed before ØKOKRIM (see section 5) is informed.

### **5. Reporting to Økokrim**

If internal investigation does not eliminate the suspicion of money laundering, the Compliance Officer is responsible for reporting the transactions to ØKOKRIM.



**Contact information:**

The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM, Enheten for finansiell etterretning)

Telephone: + 47 23 29 10 00 or + 47 23 29 14 05

E-mail: [efe.okokrim@politiet.no](mailto:efe.okokrim@politiet.no)



### **3.2.3 Market Abuse/Market Manipulation Policy**

**ICAP Energy AS**

#### **Policy on Market Abuse and Market Manipulation**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007; revisions approved 9 February 2009.

Reference number: POPR 3.2.3

Version: 1.1

Responsible up-dating: Managing Director

Approved:                      Managing Director

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Date

\_\_\_\_\_

Signature

Approved:

Chairman of the Board of Directors

\_\_\_\_\_

Date

\_\_\_\_\_

Signature



**Amendment Index**

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	1.1		Chairman of Board of Directors	

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	Compliance
	Chairman of the Board of Directors



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1. Introduction
2. Purpose
3. Definition of Market Abuse
4. Insider Trading and Misuse of Information
5. Market Manipulations – misleading impressions
6. Market Manipulation – distortion
7. Suspicious Transaction Reporting

### 1. Introduction

It is the responsibility of every employee to report to the Compliance Officer when suspecting Market Abuse.

### 2. Purpose

The purpose of this routine is to increase the awareness of market abuse and market manipulation in the organization as well as introducing effective measures to avoid such abuse.

### 3. Definition of Market Abuse

Market Abuse may be any of the following:

### 4. Insider Trading and Misuse of Information

#### 4.1 Misuse of information:

Behavior based on relevant information not generally available including:

- Dealing or arranging deals on behalf of ICAP Energy AS in a qualifying investment based on relevant information which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed to users of the particular prescribed market.
- A director giving relevant information which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed to users of the particular prescribed market.
- Dealing in a personal account transaction in a qualifying investment based on relevant information which is not generally available and is not inside information.
- Behavior other than dealing in a qualifying investment or related investment that is based on relevant information which is not generally available and is not inside information.



#### 4.2 Insider dealing:

Deals or attempts to deal with use of inside information including:

- An insider deals or attempts to deal in a qualifying investment or related investment on the basis of inside information relating to the investment in question.
- Dealing on the basis of inside information which is not trading information.
- “Front running” / pre-positioning - that is, transaction for a person's own benefit on the basis of and ahead of an order which he is to carry out with or for another (in respect of which information concerning the order is inside information) which takes advantage of the anticipated impact of the order on the market price.
- In the context of a takeover, an offeror or potential offeror entering into a transaction in a qualifying investment on the basis of inside information concerning the proposed bid, that provides merely an economic exposure to movements in the price of the target company's shares (for example a spread bet on the target company's share price).
- In the context of a takeover, a person who acts for the offeror or potential offeror dealing for his own benefit in a qualifying investment or related investments on the basis of information concerning the proposed bid which is inside information.

#### 4.3 Tipping off:

Disclosure of inside information to another person otherwise than in the proper course of employment, profession or duties including notifying customers of a potential Market Abuse investigation including:

- An insider discloses inside information to another person otherwise than in the proper course of the exercise of his employment, profession or duties.
- Disclosure of inside information by the director of an issuer to another in a social context.
- Selective briefing of analysts by directors of issuers or others who are persons discharging managerial responsibilities.

### **5. Market Manipulations – misleading impressions**

#### 5.1 Misleading impressions:

Behavior likely to give a false or misleading impression as to supply/demand/price/value including:

- Giving a false or misleading impression as to the supply of, or demand for, or as to the price of one or more qualifying investment.



- Securing the price of one or more of such investments at an abnormal or an artificial level
- Buying / selling a qualifying investment at the close of market with the effect of misleading investors who act on the basis of closing prices other than legitimate reasons.
- “Wash” trades - a sale or purchase of a qualifying investment where there is no change in beneficial interest or market risk or where the transfer of beneficial interest or market risk is between parties acting in concert or collusion.
- “Painting the tape” - entering into a series of transactions that are shown on a public display for the purpose of giving the impression of activity or price movement in a qualifying investment.
- Entering orders into an electronic trading system at prices higher than the previous bid or lower than the previous offer and withdrawing them before they are executed in order to give a misleading impression that there is deemed demand for or supply of the qualifying investment at that price.

#### 5.2 False or misleading transactions:

Placing of fictitious orders or market squeezes including:

The examples in misleading impressions above

#### 5.3 Fictitious devices:

Effecting transactions or orders to trade that employ fictitious devices or any other form of deception or contrivance including:-

- Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a qualifying investment while having previously taken positions on that qualifying investment and profiting.
- Transaction or series of transactions that are designed to conceal the ownership of a qualifying investment so that disclosure requirements are circumvented by the holding of the qualifying investment in the name of colluding party. These transactions are often structured so that market risk remains with the seller.
- “Pump and dump” - that is, taking a long position in a qualifying investment and then disseminating misleading positive information about the qualifying investment with a view to increasing its price.



- “Trash and cash” - that is, taking a short position in a qualifying investment and then disseminating misleading negative information about the qualifying investment with a view to driving down its price.

#### 5.4 Dissemination of Information:

Dissemination of information by any means which gives or is likely to give a false or misleading impression by a person who knew or ought to have known this would be the result including:

- Person posts information on an Internet bulletin board or chat room which contains false or misleading statements about the takeover of a company whose shares are qualifying investments and the person knows that the information is false or misleading.
- Person responsible for the content of information submitted to a regulatory information service submits information which is false or misleading as to qualifying investment and that person is reckless as to whether the information is false or misleading.

### **6. Market Manipulation – distortion**

#### 6.1 Distortion:

Behavior likely to be regarded by a regular user as likely to distort the market including:

- Movement of physical commodity stocks, which might create a misleading impression as to the supply of or demand for or price or value of a commodity or the deliverable into a commodity futures contract.
- Movement of an empty cargo ship, which might create a false or misleading impression as to the supply of or the demand or price or value of a commodity or the deliverable into a commodity futures contract.

#### 6.2 Abnormal or artificial prices:

Transactions or orders to trade which secure a price at an abnormal or artificial level including:

The examples in distortion above

### **7. Suspicious Transaction Reporting**

Every ICAP Energy AS employee shall report to the Compliance Officer any transactions where you have reasonable grounds for suspecting that the trade may involve Market Abuse. The most effective way of identifying Market Abuse in a broking environment is the broker’s close relationship with his customer. Having said this, we appreciate that brokers are not always party to their customers’ strategies.



**It is very difficult to recognize Market Abuse. Nevertheless, you should make yourself conversant with your customer's normal trading patterns and discuss any suspicions (for example, but not limited to, out of the market trades) with your regular contact within the Compliance Department.**



### 3.2.4 Best Execution Policy

**ICAP Energy AS**  
**Best Execution Policy**

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

Approved by the Board of Directors: 15 August 2007

Reference number: POPR 3.2.4

Version: 1.0

Responsible up-dating: Managing Director

Approved:                   Managing Director

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Date

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Signature

Approved:

Chairman of the Board of Directors

\_\_\_\_\_

Date

\_\_\_\_\_

Signature



**Amendment Index**

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9/2/09		1.0	No revisions made

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	1.0		Chairman of Board of Directors	

**Distribution**

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	Compliance
	Chairman of the Board of Directors



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3. Electronic Markets (MTFs)
4. Voice Brokered Markets
5. No Re-classification by Transaction
6. Execution in Voice Wholesale Markets
7. Spreads, Switches and Basis
8. Credit Acceptance

### **1. Introduction**

ICAP Energy AS' main business is to act as a Name Passing Broker (NPB). The main business of NPB's is to provide access to over the counter energy commodity and derivatives markets. Within this scope ICAP Energy AS provides both electronic and voice services in order to allow customers to trade directly with each other.

ICAP Energy AS does not typically execute trades. In all cases ICAP Energy AS merely arranges trades (on a name give-up basis only) and the customer and its counterparty execute any trades directly between themselves. Trades occur in the over the counter energy and derivatives markets and typically not on regulated exchanges. In some instances, as a convenience for a customer, and after receiving instructions from the customer, ICAP Energy AS may execute a trade in the name of the customer on a regulated exchange.

### **2. Purpose**

While ICAP Energy AS is only an NPB, and only arranges trades on a name give-up basis, and therefore does not execute trades, the purpose of this policy is ensure that ICAP Energy AS takes all reasonable steps to obtain the best possible result for its customers, taking into account the price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the transactions between its customers. However, whenever there is a specific instruction from the customer, ICAP Energy AS shall broker the transaction following the specific instruction.

### **3. Electronic Markets (MTFs)**

Unless otherwise communicated to the customers before commence trading, all orders submitted to an ICAPMTF platform will be traded on price/time priority. The customers will also be able to view full order depth. Execution occurs on the basis of active acceptance of orders in the system submitted by other users.

Error trades are dealt with by policies issued to all users, which vary by market, but are aimed to solving disputes as quickly and reasonably as possible. Eligibility, trading methodology,



instrument descriptions and credit parameters are all set out in the user terms for the relevant MTF.

#### **4. Voice Brokered Markets**

##### 4.1 Eligible Counterparties

The majority of ICAP Energy AS' voice brokerage services are based on fast moving bid/offer matching principles. Prices, orders and expressions of interest will be communicated by a variety of means, including over the telephone, by electronic display screen, or by electronic trading system (MTF). In each market ICAP Energy AS will communicate to their customers whether bids and offers are firm or indicative.

Prices are given, and trades executed directly by and between party and counterparty excluding ICAP Energy AS' brokerage (i.e. a bare price). Brokerage rates are as agreed between the customers and ICAP Energy AS by product, often with volume discounts or other fee discounts based on market making activity.

ICAP Energy AS will assist customers in the arrangement of trades on their behalf, based either on a price or order that they have communicated to ICAP Energy AS, or as confirmed by the customers following a period of negotiation.

ICAP Energy AS will classify their customers as either a "professional customer" or as an "eligible counterparty". Generally ICAP Energy AS will classify customers as an "eligible counterparty" if they fall within any of the following categories:

- MiFID investment firms,
- Banks and credit institutions,
- Insurance companies,
- UCITS and their management companies,
- Pension funds and their management companies,
- Financial institutions authorised or regulated in the EEA,
- Proprietary trading commodities and commodity derivative firms exempted by MiFID,
- Proprietary trading or execution only firms exempted by MiFID
- National governments and their corresponding offices including public bodies that deal with public debt (DMOs),
- Central banks and supranational organisations



- A large undertaking meeting two of the following thresholds:
  - a) Balance sheet total of 20 million Euros
  - b) Net turnover of 40 million Euro
  - c) Own funds of 2 million Euro

## **5. No Re-classification by Transaction**

Because ICAP Energy AS always intends to handle orders and expressions of interest on an equitable and consistent manner, once a customer entity is classified as an eligible counterparty (or as a professional customer) for the purposes of a particular instrument, that entity may not then elect to be re-classified for the purposes of one transaction of a type it customarily undertakes. Exceptional circumstances may be taken in to account at the time, with the consent of ICAP Energy AS (ICAP Energy AS may always decline to provide a service).

## **6. Execution in Voice Wholesale Markets**

ICAP Energy AS will endeavour to match customers trading requirement or orders with other trading interests in the market. This means that ICAP Energy AS can only give their customers access to ICAP Energy AS liquidity, and will pass prices or orders to and from its other customers (i.e., as a name passing broker).

If a customer has been classified as an eligible counterparty or professional customer, ICAP Energy AS will not promise the customer best execution, based on the level of sophistication ICAP Energy AS can reasonably expect from the customer and its access to other price or liquidity sources. However, ICAP Energy AS intends to give all its customers the best overall trading result possible in accordance with market convention and best practice.

## **7. Spreads, Switches and Basis**

In the case of trades where there is simultaneous execution of more than one instrument – such as spread trades, switches, basis or multi-leg asset swaps and hedges, you may not of course achieve the best price available for each individual leg of those transactions. ICAP Energy AS may imply prices to customers calculated from spreads or other instruments.

## **8. Credit Acceptance**

If any customer participating in a wholesale market brokered by ICAP Energy AS is consistently refused credit by other participants ICAP Energy AS may decline to provide a service.



### **3.2.5 Routine on Internal Control**

**ICAP Energy AS**

#### **Routine on Internal Control**

This Manual is composed by ICAP Energy AS

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Version: 1.1

Responsible up-dating: Compliance Officer

Approved:                      Managing Director

\_\_\_\_\_  
Date                                      Signature

Approved:                      Chairman of the Board of Directors

\_\_\_\_\_  
Date                                      Signature



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	1.1		Chairman of Board of Directors	

**Distribution**

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	Managing Director
	Compliance
	Chairman of the Board of Directors



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1. Introduction
2. Purpose
3. The Board's Responsibility for Internal Control
4. The Managing Director's Responsibility for Internal Control
5. The Compliance Officer's responsibility for internal control

### **1. Introduction**

This routine is established in accordance with applicable rules in Regulation on Statutory Requirements on Risk Management and Internal Control (FOR 2008-09-22-No. 1080).

### **2. Purpose**

The Internal Audit Routine shall ensure an independent, internal assessment of the effectiveness of the business' controls and procedures and the risk management process.

### **3. The Board's Responsibility for Internal Control**

The Board of Directors has the main responsibility for internal control in ICAP Energy AS including the following tasks:

- Ensure that all internal routines and any decisions or amendments of internal routines are complied with
- Ensure that no employees are in breach of personal engagement in any business activity
- Ensure that adequate ethical guidelines are incorporated and complied with

The Board of Directors is also responsible for initiating internal audits when required according to the guidelines set down in Regulation on Responsibility for Internal Control and on Documentation and Confirmation of Internal Control section 4-2.

The Board of Directors shall cause ICAP Energy AS shall adapt its risk management and internal control in accordance with the type, scope and complexity of its business.

The Board shall ensure that the company has the appropriate systems for risk management and internal control, including:

- A clear division of responsibility between the Board and the daily management, as laid down in instructions to the Board and the Managing Director;



- That the company has a clear organisational structure;
- The fixing of objectives and strategy of the company in addition to overall guidelines for the business; the risk profile of the company shall be shown and also the framework for risk, wherever this is relevant;
- The fixing of principles for risk management and internal control for the company as a whole and within every individual business area;
- Ensuring that risk management and internal control is established in accordance with laws and regulations, articles of association, instructions issued by Kredittilsynet and guidelines issued by the Board to administration, including processing of reports prepared in accordance with the provisions of § 8 and Chapter 4 of FOR 2008-09-22-No. 1080;
- Ensuring that risk management and internal control is implemented and monitored, i.e. by means of processing of reports prepared in accordance with the provisions of § 8 and Chapter 4 of FOR 2008-09-22-No. 1080.
- Whether the company is to have internal audits pursuant to the provisions of § 9 of FOR 2008-09-22-No. 1080.
- Evaluate work and competence in connection with risk management and internal control in the company, at least once yearly.

#### **4. The Managing Director's Responsibility for Internal Control**

The Managing Director has the overall daily responsibility for the execution of adequate internal control routines.

The Managing Director shall also fulfill those duties imposed upon him by all applicable laws and regulations, including FOR 2008-09-22-No. 1080. Specifically, pursuant to and in compliance with the foregoing, the Managing Director shall:

- Establish proper risk management and internal control on the basis of an evaluation of the relevant risks in accordance with the guidelines issued by the Board;
- Regularly follow up changes in the enterprise's risk profile and ensure that the enterprise's risks are dealt with in a proper manner in accordance with the guidelines issued by the Board;
- Provide the Board with relevant and up-to-date information that is of importance for the enterprise's risk management and internal control, including information on any new risks;



- Ensure that risk management and internal control is documented;
- Ensure that risk management and internal control is implemented and monitored in a proper manner.

## **5. The Compliance Officer's Responsibility for Internal Control**

The Compliance Officer has the main executing responsibility for internal control.

The Compliance Officer is the key responsible person on a day-to-day level to monitor and ensure that the company's conduct of business is according to any applicable laws and regulations and internal routines and procedures at all time.

The Compliance Officer shall once a year conduct an audit of the internal routines and procedures. The audit shall comprise the following:

- Survey and document risk exposed issues/areas
- Document considered measurements to be exercised for risk reduction

The report shall be presented to the Managing Director and the Board of Directors which will take adequate measures if needed.



### 3.2.6 Routine for Tape Recording

ICAP Energy AS

#### Routine for Tape Recording

This Manual is composed by ICAP Energy AS

Edited by: Original Version

Date of origin: 15 August 2007

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Approved:                   Managing Director

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Date

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Signature

Approved:

Chairman of the Board of Directors

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Date

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Signature



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## **Table of contents**

1. Introduction
2. Purpose
3. Tape Recording
4. Examination of tapes

### **1. Introduction**

This routine is established in accordance with applicable rules in Regulation to the Security Trading Act (FOR-2007-06-29-879) and all other applicable laws and regulations.

### **2. Purpose**

The purpose of this routine is ensure tape recording of all dealings as well as securing that the tapes are kept in a safe and secure way.

### **3. Tape Recording**

All dealings must be conducted via in-house recorded phone lines. The use of mobile phones for dealing is strictly prohibited unless prior consent has been given by the Compliance Department. In such circumstances, deals must be re-confirmed on a recorded line to ensure a record of that transaction is kept. As a matter of policy tapes of phone conversations will be held for three (3) years. The tapes shall be kept in a safe and secure way.

Operations – Trade Systems Support Administrator for IT is responsible for the tape recording equipment and for the recording and deleting procedures.

### **4. Examination of tapes**

The tapes can be played on justifiable basis such as:

- a) Dispute between ICAP Energy AS and a customer
- b) Due to internal control

Any playing of tapes as a result of disputes etc must be reported to the Compliance Officer or Managing Director. No tapes or voice recorded material can be sent to customers without prior permission from the Compliance Officer or Managing Director.

When a telephone conversation is required played the employee shall as a main rule be present at the playing. The employee can however in writing, agree to let the Compliance Officer play the tape without the presence of the employee. By suspicion that any employee has violated internal policies, job descriptions, procedures or routines applying to all employees in ICAP Energy AS, the Compliance Officer is authorized to play the tape without the presence of the employee.





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## **Table of contents**

1. Introduction
2. Purpose
3. Client categories
4. Eligible Counterparties and Professional Clients
5. Records
6. Re-classification

### **1. INTRODUCTION**

This routine is established in accordance with applicable rules in Regulations to the Securities Trading Act, section 10-1.

### **2. PURPOSE**

The purpose with this routine is to secure a correct customer classification according to applicable legislation.

### **3. CLIENT CATEGORIES**

The three different customer categories according to MiFID and the STA are the following:

1. Retail client
2. Professional client
3. Eligible Counterparties

### **4. ELIGIBLE AND PROFESSIONAL CLIENTS**

ICAP will classify clients as either a “Professional Client” or as an “Eligible Counterparty”.

The following clients fall within category Eligible counterparties

- MiFID investment firms,
- Banks and credit institutions,
- Insurance companies,
- UCITS and their management companies,
- Pension funds and their management companies,



- Financial institutions authorised or regulated in the EEA,
- Proprietary trading commodities and commodity derivative firms exempted by MiFID,
- Proprietary trading or execution only firms exempted by MiFID
- National governments and their corresponding offices including public bodies that deal with public debt (DMOs),
- Central banks and supranational organisations

The following clients fall within the category Professional Clients

- A large undertaking meeting 2 of the following thresholds:
  - a) Balance sheet total of 20 million Euros
  - b) Net turnover of 40 million Euro
  - c) Own funds of 2 million Euro

## **5. RECORDS**

ICAP shall at all time keep adequate records of all clients containing information of about the respective category of the client.

Before rendering any services to new clients ICAP, the new client is oblige to submit adequate information for the categorization of the client.

## **5. RE-CLASSIFICATION**

According to ICAP's policy service will only be rendered to clients who fulfil the requirements as Eligible Counterparty or Professional client. In the event that the client does not meet the requirements to be categorised as Eligible Counterparty or Professional Client, ICAP will terminate the its engagement with the client according to the agreement entered with the client.



### **3.3 Compliance Officer Procedures**

Section 3.3 of these Procedures sets forth certain routines and procedures which the Compliance Officer shall follow in the performance of his or her duties, functions and responsibilities. At all times the Managing Director, while performing the duties described in these routines and procedures, shall comply with both the letter and spirit of those routines and procedures.



### **3.3.1 Routine for Compliance Officer**

**ICAP Energy AS**

#### **Routine for Compliance Officer**

This Manual is composed by ICAP Energy AS

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Approved:                   Managing Director

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Date

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Signature

Approved:

Chairman of the Board of Directors

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Date

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Signature



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2. Purpose
3. Laws and Regulations
4. Monitoring the Legislation
5. Information and Reporting (internally)
6. Reporting to the NFSA
7. Risk Management
8. Group Compliance

### **1. Introduction**

This routine will describe the main responsibilities of the Compliance Officer.

The Compliance Officer has been given all necessary and independent authority, resources and access to all relevant information in order to carry out the compliance function. The Compliance Officer is not involved in the performance of services or activities that are monitored in order to preserve his or her independence.

The Compliance Officer is responsible for insuring that ICAP Energy AS complies with its obligations under the STA, MiFID and to the NFSA as well as any other legal obligation, including all obligations with regard to compliance, risk management and internal audit. The Compliance Officer is authorized to take all lawful actions deemed reasonably necessary to carry out ICAP Energy AS' obligations under the STA, MiFID and to the NFSA as well as any other legal obligation to insure that ICAP Energy AS complies with those obligations and with local authorities as they apply.

### **2. Purpose**

The purpose of this routine is to secure adequate knowledge concerning the laws and regulations that regulate ICAP Energy AS' business activity.

### **3. Laws and Regulations**

ICAP Energy AS is authorized and regulated by the Norwegian FSA (Kredittilsynet). This routine will describe the responsibilities in connection with supervising and implementing new legislation in the organization.

### **4. Monitoring the Legislation**

The Compliance Officer is responsible for monitoring all legislation applying to investment firms and to make sure that ICAP Energy AS complies with its obligations under the STA,



MiFID and to the NFSA as well as any other legal obligation. To achieve this, the Compliance Officer must on a regular basis monitor information from the NFSA and other regulatory bodies as appropriate.

## **5. Information and Reporting (internally)**

The Compliance Officer reports to the Managing Director for the purpose of day to day business operations; but, the Compliance Officer also reports directly to the Board of Directors so that the Compliance Officer will be able to perform this compliance function independently of the business function and the performance of services or activities that the Compliance Officer will monitor.

The Managing Director shall receive from the Compliance Officer monthly reports on the matters regarding the compliance, risk management and internal audit functions, as required under the STA, MiFID and by the NFSA, which reports shall indicate in particular whether the appropriate remedial measures have been taken in the even of any deficiencies.

The Board of Directors shall annually, or, should circumstances dictate more often, receive reports on these same matters from the Managing Director and the Compliance Officer.

The Compliance Officer is responsible for keeping the organization informed about any new legislation. The Compliance Officer shall, on a regular basis, distribute a newsletter concerning regulatory issues per e-mail to the organization. The regulatory newsletter shall be distributed at least twice a year.

## **6. Reporting to the NFSA**

The Compliance Officer is responsible for ensuring that any reporting requirements are met. The Compliance Officer is also responsible for establishing appropriate routines and procedures to insure that any reporting requirements, including those reporting requirements which are the responsibility of the Accounting Manager pursuant to Paragraph 9 of Section 3.5.1 of this POPR, are effectively and timely met and that such reporting requirements, including those pursuant to Paragraph 9 of Section 3.5.1 of this POPR, and any deviations from compliance with such reporting requirements, are confirmed to the Managing Director.

## **7. Risk Management**

Compliance Officer. The Compliance Officer is responsible for monitoring the company's compliance with its risk management policies and procedures. The Compliance Office shall keep ICAP Energy AS and the Board of Directors informed and shall provide reports to Managing Director and the Board of Directors regarding company's compliance with its risk management policies and procedures on a regular basis as required by applicable law. The Compliance Officer shall keep the Managing Director and the Board of Directors informed about any legal requirements or new legislation which may affect the content or implementation of ICAP Energy AS risk management policies.



## **8. Group Compliance**

The Compliance Officer is responsible for ICAP Energy AS, complying with any Group Policy as far as they apply to the compliance procedures, or other obligations applying to all companies in the ICAP Group.





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1. Introduction
2. Purpose
3. Strategic goals for IT security
4. Outsourcing
5. Data backup

### **1. Introduction**

This routine is established in accordance with applicable rules in Regulations on the use of Information and Communication Technology – ICT (FOR 2003-05-21 no 630).

### **2. Purpose**

The purpose of this routine is establish objectives, strategies and security requirements for the company's IT activity.

### **3. Strategic goals for IT security**

1. ICAP Energy AS shall utilize their technological systems in order to conduct business in an effective and secure way.
2. Data security is a key element in the conduct of business, and data shall be stored in a way that secure confidentiality for both the company as wells as its employees, customers and other business partners.

### **4. Outsourcing**

ICAP Energy AS has made a strategic decision to outsource all IT activity to its sister company ICAP Management Services Ltd in London. The following IT structure and user support are supplied by ICAP Management Services Ltd to ICAP Energy AS:

#### 4.1 Provision, Management and Support

- Network (LAN and WAN) availability, including firewall management, internet access and remote connectivity (VPN);
- Voice support services, including dealer board system, voice recording, related carrier services and corporate voice services;
- Market data support, including price data reporting, consumption and contribution, external data feeds and various market data terminals;
- Audio/Visual support, including installation and maintenance of screens, video conferencing and voice conferencing facilities;



- Data centre services, including server installation and monitoring, data base management, data storage, data backup (*See appendix A*), antispam services.
- Full disaster recovery capability for Oracle Financial system, including regular tests to cutover to the standby instance at the DR site. Copy of previous test results available on request.
- Full disaster recovery capability for Trayport Trading System is available.  
**See Routine in section 3.3.3.**
- A complete standby instance of GUIBOS (back office trade registration system) .
- Project management/administration and help desk services;
- Infrastructure support and monitoring for all ICAP Energy AS' applications such as Oracle Financials, GUIBOS, and Trayport systems and associated server hardware, SAN and Email. Hardware infrastructure monitoring and support on 24X7 basis
- IT Operations monitoring and processing of production systems on a 24x6 basis.
- Application level support for Oracle Financials, GUIBOS and Trayport systems on a 24x5 basis.
- All applications follow a password protection access policy. These passwords are changed on a regular basis in line with the ICAP Energy AS security policy
- Remote access to any of the applications is strictly monitored and controlled in line with the ICAP Energy AS security policy for both internal users and 3<sup>rd</sup> party suppliers.
- Data center security and protection is strictly controlled and access to these centers is made by authorized personnel only. Access is monitored and maintained regularly. Security cameras are in place as are all necessary fire and flood detection devices in line with our building management regulations.
- Data protection for media held off site is outsourced to an accredited regulated media storage company and all media is stored in an appropriate secure environment which is governed by the 3<sup>rd</sup> party's security policy, a copy of which has been provided to ICAP Energy AS.

#### 4.2 Service Description

Ongoing support and maintenance of ICAP Energy AS' mission critical systems and user communities.



### 4.3 Service Hours

Core support hours are Monday to Friday 06:30 to 18:00; however infrastructure and Application support employees are on call outside these times and during weekends.

Wherever possible IT will respond at the earliest opportunity and aim to resolve any critical issues as soon as possible.

### 4.4 Customer Support

The helpdesk (Service Desk) is available between 06:30 and 18:00 and can be contacted externally on (44) 20 7000 5555. The IT Operations team provide cover outside these hours between 21:00 on Sunday through to 23:00 on Friday and can be reached externally on (44) 20 7000 5920.

## **5. Data backup**

### 5.1 Oracle Financials Hot Backups

Production Oracle Financials Server is backed up every Sunday to Thursday Night, using Oracle's HOT Backup mechanism. This involves putting the database into Hot Backup mode, and backing up the database files, Archive logs and Application files to a Hot Backup Area on locally attached storage. On-Line Hot Backups are run at these times:

Sunday at 18:00  
Mon to Thu at 23:55

The Hot backup Disk area is then backed up further to tape every Monday to Friday morning at 04:00. The Tapes are located at our DR site, so the data is immediately off-site. The tapes sent off-site to our media storage company, and stored for 28 days. These tapes come back after that period and are placed back into the tape drives to be overwritten. The backups and tape/device management is controlled by Veritas Netbackup running on Sun servers.

### 5.2 Oracle Financials Cold Backups

Every Saturday morning at 2am, both Production and DR Oracle Financials Servers are backed up in full directly to tape. All Oracle Databases and Applications are shut down prior to the backups.

The backups are sent across site to an appropriate tape library, so Oracle Financials DR server at LTC, is backed up to the Tape Library at our main site, Broadgate. Production is backed up to the tape library at our DR site. The tapes remain within the tape Libraries until the following Friday afternoon when they are removed from the Libraries and sent for off-site storage. This assists us in any quick restores that may be required, whilst keeping the data off-site. The tapes used are returned and the data overwritten after 4 weeks/28 days.



On the last weekend of each month (where the Friday is actually in that calendar month), a special Month End FULL COLD Backup is taken. This is the same as any Weekend backup, except the backups are written to a special Month-End pool of tapes, which are removed on the following Friday afternoon and sent off-site and stored for 7 years, as per current FSA requirements.

### 5.3 Archive Log Management (Database Replication)

The DR Oracle Financials database is constantly running in Standby mode. The DR server receives Oracle Database archive logs every 30 minutes from the production server, which it stores on disk. At 23:00 every night, the DR server applies the archive logs from the day before, keeping the DR database a day behind Production. The reason for this is that if an Archive Log has a corruption or bad data, then there is a chance of us stopping that being replicated to DR, allowing us to then invoke DR to a certain point in time before that particular corruption was applied to production. If the databases were kept in real-time or almost real-time synchronization, both databases would have suffered from the corruption.

### 5.4 GUIBOS – Application Servers

These servers are backed up on a daily basis with an evening tape backup. The backups are in a 4 week cycle with the month end tape (last Friday of the month) being held off site for 7 years. The Front End servers do not hold any databases and all data is transient.

### 5.5 GUIBOS – Database Servers

Hotbackups daily to disk, these backups are then copied to tape.

Once a month there is an additional cold backup where the database is copied to tape for offsite storage of 7 years. The monthly backup tape also includes a month's volume of archive logs.

On a daily basis the hotbackups are used to clone support environments, which always ensures that the backups are valid.

Each Production database has a standby database, data propagation to the Standby database is asynchronous, the maximum amount of data loss which could be experienced is 30 minutes

### 5.6 Trayport GlobalVision (ICAPMTF)

The Trayport GlobalVision servers are a Windows 2003 Cluster attached to a HP SAN with synchronous data replication to the DR site. The SQL Transaction Logs are backed up every 15 minutes to a clustered SAN disk. Database is backed up every hour to a clustered SAN disk. The servers are backed up on a daily basis with an evening tape backup. The backups are in a 4 week cycle with the month end tape (last Friday of the month) being held off site for 7 years.



### **3.3.3 Disaster Recovery Policy (ICT)**

The information technology (IT) infrastructure of ICAP Energy AS is operated on a day to day basis in London, UK as part of the ICAP group of companies IT department. The Compliance Officer is responsible, however, to ensure that the IT department for the ICAP group of companies meets and maintains the specific IT needs of ICAP Energy AS in all of its offices and to ensure that the performance of ICAP's IT infrastructure complies with all applicable laws and regulations wherever ICAP Energy AS does business. As part of the ICAP group of companies, ICAP Energy AS adheres to the Disaster Recovery Policy described in Procedure 3.3.3. The Compliance Officer shall be the company's responsible party to ensure that ICAP Energy AS follows and complies with the routines described in Procedure 3.3.3.



### **3.3.4 Operational Risk Management Policy**

The ICAP group of companies evaluates and determines the level of operational risk to which all of its affiliated and subsidiary companies are exposed. To perform the risk analysis, the ICAP group of companies has adopted the Operational Risk Management Policy, which is applicable to all ICAP group companies, and which is attached as Procedure 3.4.2. The policy acts as a framework, which allows each individual ICAP company to identify, evaluate and establish risk prevention/elimination measures for individual risk factors which may arise in the specific business environment of any ICAP company.

The Compliance Officer for ICAP Energy AS is the responsible party for coordinating the risk analysis and risk prevention function on behalf of ICAP Energy AS in accordance with the Operational Risk Management Policy.

Policies concerning Risk Management are established at a Group level, and documentation is enclosed in the following appendixes:

**Appendix 1: Group Risk Policy**

**Appendix 2: Operational Risk Management Framework & Policy**



### **3.4 Back Office Procedures**

The back office of ICAP Energy AS is responsible for confirming and maintaining records of transactions brokered by ICAP's brokers. The back office enters the terms of brokered transactions into ICAP's systems and issues confirmations of deals which it then sends to both party and counterparty. The back office keeps the company's records regarding those transactions in a form and for the period required by applicable laws and regulations.

Section 3.4 of these Procedures sets forth the routines and procedures which the back office personnel shall follow in the performance of their duties, functions and responsibilities. At all times the back office personnel, while performing the duties described in these routines and procedures, shall comply with both the letter and spirit of those routines and procedures.



### 3.4.1 Back Office Routines

**ICAP Energy AS**

**Back Office Routine**

This Manual is composed by ICAP Energy AS

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Responsible up-dating: Managing Director

Approve:                   Managing Director

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Date

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Signature

Approved:

Chairman of the Board of Directors

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Date

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Signature



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2. Purpose
3. Customer Registration
4. Record Retention of Orders
5. Record Retention of Transactions
6. Information to Accounting

### **1. Introduction**

ICAP Energy AS shall maintain records of its operations and transactions as required by applicable securities laws, other applicable laws and internal routines and procedures.

### **2. Purpose**

This routine shall ensure that the company retains all required records for the required periods of time and in proper form, all as provided by applicable law and internal company routines.

### **3. Customer Registration**

#### 3.1 New Client Registration

Each new customer will be registered in the CMS (Customer Management System) for classification as a professional or eligible customer. Once approved, the customer's details will be registered in ICAP's Oracle based database SDM (Standing Data Manager) in order to receive a unique customer ID. The new customer registration process involves registering all customers' details such as invoice and or registered trading address, responsible persons/representative and or trader names. This is a necessary and required procedure in order for a customer to trade with ICAP Energy AS.

If the customer requests access to the ICAPMTF, and, has fulfilled the access requirements, then traders must be registered in the User Administration database of the ICAPMTF. Consequently the customer/trader will be provided with a unique username and password in order to access the ICAPMTF.

### **4. Back Office Handling of Trades**

#### 4.1 Post Execution handling of trades

Electronic Trades are automatically processed due to the technical integration between the ICAPMTF and ICAP's back office application GUIBOS.



Voice Trades – each ICAP Energy broker has a trade ticket that must be filled out with the appropriate details for the trades this includes: market, product, volume, buyer, seller, price, buying broker, selling broker, time of execution and brokerage fee. After the completion of the trade ticket, the broker will pass this to back-office for immediate processing.

Each broker must also make a personal record (Broker Trade Log) of all voice transactions. The broker will enter: Date, Buyer, Seller, Period/Product and type, Price, Volume and Time.

All trade regardless of type will be then confirmed by an ICAP Energy broker. The entire details of the trade (market, product, volume, price and type of order) are checked using a confirmation tool available to the broker on his/her desktop computer for confirmation.

#### 4.2 Back Office Handling of Broker Trades

Electronic trades for the ICAPMTF are automatically processed. Trades executed on the ICAPMTF are automatically sent to GUIBOS and providing no amendments need to be made such as a brokerage change, then this trade will automatically arrive on the broker desktop for confirmation.

Voice Trades – as already described above, for all voice trades a ‘trade ticket’ is completed by the broker and passed on to a back-office staff member for further processing by entering the trade in GUIBOS.

After the completion of the trade’s registration process for voice trades, the trade is then again seen by the broker on his desktop computer’s confirmation tool.

### **5. Record Retention of Transactions**

Additionally, ICAP Energy AS shall make and maintain in relation to every transaction brokered by it the following information:

1. The legal name of the customer;
2. The details of the transaction brokered including:
  - a. the day on which the transaction was brokered;
  - b. the time that the transaction was brokered;
  - c. information which identifies whether the transaction was a buy or sell;
  - d. information indicating the characteristics of the contract; the unit price;
  - e. the currency in which the price is expressed;
  - f. the number of units of the transaction;
  - g. information indicating that the quantity is the number of units which are to be bought or sold;
  - h. identification of party and counterparty to the transaction (and where applicable an unique identification information for such parties); and the
  - i. identification of the venue where the transaction was executed or otherwise as OTC.



3. The total price of the transaction;
4. Whether the transaction was a buy or sell; and
5. The employee who brokered the transaction.

All records covered by this policy shall be maintained as required by applicable laws.

Records shall be maintained electronically to the extent feasible, or via recorded medium or otherwise in a durable medium for retention purposes.

Compliance for this policy shall be the responsibility of the Compliance Officer.

The Compliance Officer shall be responsible for staying aware of any changes to applicable laws, rules and regulations regarding retention of information relating to orders, transactions and other company information and records and shall report such changes to the Managing Director and Chairman of the Board of Directors so that appropriate modification can be made to the company's policies and procedures.

#### **6. Information to Accounting**

The Back Office system is responsible to provide adequate information to the Accounting Manager in order to execute timely and correcting invoicing and other financial information/reporting.



### **3.5 Accounting Procedures**

ICAP Energy AS has established several routines which govern financial accountability for the company. The Accounting Manager and all other financial personnel shall perform their finance and accounting functions in compliance with ICAP group policies as well as the more particular finance and accounting requirements established for the day to day operation for ICAP Energy AS. Finance and accounting personnel shall comply with both the letter and spirit of all finance and accounting procedures and routines.

ICAP Energy AS has implemented and uses the group accounting system, Oracle Financials.



### 3.5.1 Accounting Routines

**ICAP Energy AS**

**Accounting Routines**

This Manual is composed by ICAP Energy AS

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Approved:                   Managing Director

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Date

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Signature

Approved:                   Chairman of the Board of Directors

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Date

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Signature



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2. Purpose
3. Primary functions of the Accounting Manager
4. Expense Reimbursements
5. Monthly Management Accounts
6. Annual Statutory Accounts
7. Tax Returns and Payments
8. VAT Returns

### **1. Introduction**

This routine will describe the main responsibilities and tasks of the Accounting Manager.

### **2. Purpose**

The purpose of the Accounting Manager's routines is to ensure correct financial statements, adequate security over company assets (primarily bank deposits and customer debtors), and timely collection of payments from company debtors, timely payments to employees and vendors and compliance with taxing authorities.

### **3. Primary functions of the Accounting Manager**

#### Banking

The Accounting Manager is responsible for daily banking activities including posting customer payments to the general ledger and issuing payments to employees, vendors and tax authorities. With regard to disbursements, the Accounting Manager does not have the ability to make payments without involvement from another employee. Payments can be made by an accounting assistant entering such payment into the on-line banking system of ICAP Energy AS' bank and then the Accounting Manager releasing such payment. Alternatively, the Accounting Manager can enter the payments into the on-line system, and a member of the Board of Directors (currently Janne Distad Carlsen) can release such payment. Bank accounts are reconciled on a monthly basis.

#### Payroll

The Accounting Manager works with third party payroll providers in each country ICAP Energy AS operates (Norway, The Netherlands and Spain). Salaries are paid monthly. Revenue linked commissions to brokers are paid quarterly. Non-broker personnel bonuses are paid semi-annually.

#### Invoicing and collections

The Accounting Manager is ultimately responsible for issuing monthly invoices to customers and collecting unpaid invoices. Aged debtors are reviewed at least monthly with primary focus



on accounts older than 90 days and older than 180 days. Such accounts are followed up on immediately via direct contact with the customer i.e. telephone, email and / or fax. Follow up is conducted diligently until payment is received.

#### Vendor Payments

The Accounting Manager is ultimately responsible for ensuring vendors are paid for goods received and services performed. Invoices received are approved by someone other than the Accounting Manager before payment is issued. Such payments are made according to the banking procedures described above.

#### **4. Expense Reimbursements**

Similar to vendor payments, the Accounting Manager is responsible for reimbursing employees for business expenses they incur in the course of performing their job. Employees turn in expense reports on a monthly or semi monthly basis with appropriate documentation (receipts). The Accounting Manager verifies these receipts and ensures each employee's supervisor has approved the expense before issuing payment to the employee. Such payments are made according to the banking procedures described above.

#### **5. Monthly Management Accounts**

The Accounting Manager is responsible for issuing management accounts on a monthly basis for purposes of senior management's evaluation of operating results on a timely basis. Management accounts consist of profit and loss statements by profit centre i.e. brokerage desk. The Company utilizes Oracle Financials for its general ledger which is linked to Hyperion, the reporting software in which the management accounts are produced. Management accounts are distributed to senior management and desk heads monthly for their review.

#### **6. Annual Statutory Accounts**

The Accounting Manager works with the Company's independent auditors to produce the audited annual report to be filed with Norwegian authorities. Such annual financials include a complete set of financial statements with full footnote disclosure, along with a report from the Board of Directors.

#### **7. Tax Returns and Payments**

The Accounting Manager works with an outside accounting firm to have tax returns prepared in each country and make payments to taxing authorities as required. A separate company ledger is maintained for each country to ensure collection of data necessary to prepare these returns. Tax payments are made according to the banking procedures described above.



## **8. VAT Returns**

The Accounting Manager is responsible for fill in bi-monthly VAT-returns to the tax authorities.

## **9. Regulatory Financial Reporting**

The Accounting Manager is responsible for filing the monthly and quarterly reports according the STA using the following reference: (FOR 29-06-2007 nr. 876) and FOR 15-11-1996 nr.1130) for monthly reporting. In addition to the above according to FOR 22-12-2006 nr.1615, ICAP Energy AS shall report all significant liabilities according to the aforementioned act.

To ensure that all regulatory financial reporting is performed in a timely manner, the Accounting Manager will notify the Managing Director and the Compliance Manager immediately after the report has been sent to the NFSA (Kredittilsynet). Furthermore, ICAP Energy AS has implemented an automatic notification process to function as a reminder for the Accounting Manager.



### **3.5.2 Group Accounting Manual**

The ICAP group of companies, including all affiliated and subsidiary companies, shall abide by the policies and routines found in the Group Accounting Manual contained in Procedure 3.6.1. Finance and accounting routines which are specific to ICAP Energy AS shall comply with and not deviate from the policies set forth in the Group Accounting Manual. The Accounting Manager and all other finance and accounting personnel for ICAP Energy AS shall comply with not only the letter of the Group Accounting Manual but also with its spirit.

The Group Accounting Manual is enclosed in **Appendix 3**.



### **3.6 Broker Procedures**

Because brokers are the employees of ICAP Energy AS who directly deal daily with the company's customers, it is vital that brokers always act in compliance with applicable laws and regulations, in the best interests of the company and in the best interests of the ICAP's customers. As a result, ICAP Energy AS has established several very specific routines which govern how brokers may conduct the business of ICAP Energy AS and interact and deal with the company's customers.

These routines apply not only to brokers who conduct voice broking on behalf of ICAP but also to the operation of the company's electronic trading screen. Brokers and employees shall deviate from these procedures unless approved by the Managing Director and any deviation must always be in the best interests of the company and its customers and must always comply with applicable laws and regulations.

As with any other procedures, policies and routines, brokers shall comply always with the letter and spirit of the routines contained in this Section 3.6. Any broker who is unsure of his obligations under any routine contained in this Section 3.6 shall contact the Compliance Officer or Managing Director for additional guidance.





**Amendment Index**

Date	Edited by	Version	Comments
		1.0	Original version
		1.1	Revised version

**Review Index**

Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	
	1.1		Chairman of Board of Directors	

**Distribution**

Name	Executive position
	Managing Director
	Compliance
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### **1. Introduction**

ICAP Energy AS is a name-passing broker. In other words we introduce customers to one another for the purpose of allowing customers to execute transactions between each other. ICAP Energy AS typically does not execute transactions on behalf of its customers. Rather, ICAP Energy AS provides indicative prices to parties and potential counterparties who determine solely for themselves whether to transact with one another and who then execute deals directly with one another. ICAP Energy AS does not settle transactions. Rather, due to the bilateral nature of the transactions brokered by ICAP Energy AS, parties and their counterparties settle their transactions directly with one another or with the appropriate clearing organization.

### **2. Purpose**

The purpose of this Routine is to define the parameters of how ICAP Energy AS brokers these types of transactions. Specifically, this Routine establishes the criteria and limitations which govern the company's brokers when they act to broker transactions between their customers. Because ICAP Energy AS acts almost exclusively as a name-passing broker, the company's brokers typically do not have authority to bind their customers. Customers must execute binding transactions on their own directly with their counterparties.

### **3. General dealing requirements**

#### **3.1 Capacity**

The brokers shall always ensure that it is clear to their customers in what capacity they are acting – that the broker is only acting as a name-passing broker.



### 3.2 Understanding your Customer's Requirements

The brokers shall make sure they understand their customer's requirements fully before attempting to deal with or for the customer. At a minimum the broker should establish the following:-

- (a) the investment involved and the type of deal in contemplation;
- (b) which side of the deal the customer wants to be on;
- (c) the amount involved;
- (d) the price level; and
- (e) any unusual or special requirements.

Brokers shall pay careful attention at all times to everything said by the customer and if anything is unclear or inconsistent with your understanding of his requirements, clarification should be sought immediately. Also, if a deal is worked on over a period of time, full details of the customer's requirements should be reconfirmed if there has been an interval of two or more hours since the last conversation about the deal, and in any event not less than once every half day. Furthermore, if during the course of canvassing there is a change in dealer acting on behalf of the customer, full details should be reconfirmed straight away with the new dealer.

#### **4. Firmness of Quotation**

Unless otherwise agreed, the broker shall follow market practice in determining the firmness of quotation. It should always be clear:

- (a) whether a quote is firm or not;
- (b) whether a quote is subject to any conditions and what they are;
- (c) how long a quote is valid for;
- (d) whether a quote is for a normal market size.

Firm quotes should be made in good faith and not withdrawn without a good reason e.g. unacceptable name.

#### **5. Records of Orders and Trades**

The broker shall always ensure that a complete record is made of any orders you receive or deals you enter or arrange either with or for customers. This is important to ensure that should there be any query related to the transaction a full and contemporaneous record is available.

There are increasing numbers of ways to communicate with our customers. Despite this, all deals must be made over a recorded line to ensure ICAP Energy AS has an audit trail should the transaction be disputed later on.



## **6. Broker Handling of Trades**

### 6.1 Broker Record keeping

An ICAP Energy broker will receive orders either electronically or by voice instruction. Electronic orders and the history thereof are recorded in the ICAPMTF. Voice orders are received by the broker and the details of the order including market, product, volume, price and the type of order (buy/sell) are repeated to the customer. Furthermore, the order details are immediately broadcasted to other ICAP Energy brokers.

### 6.2 Post Execution handling of trades

Electronic Trades are automatically processed due to the technical integration between the ICAPMTF and ICAP's back office application GUIBOS.

Voice Trades – each ICAP Energy broker has a trade ticket that must be filled out with the appropriate details for the trades this includes: market, product, volume, buyer, seller, price, buying broker, selling broker, time of execution and brokerage fee. After the completion of the trade ticket, the broker will pass this to back-office for immediate processing.

Each broker must also make a personal record (Broker Trade Log) of all voice transactions. The broker will enter: Date, Buyer, Seller, Period/Product and type, Price, Volume and Time.

All trade regardless of type will be then confirmed by an ICAP Energy broker. The entire details of the trade (market, product, volume, price and type of order) are checked using a confirmation tool available to the broker on his/her desktop computer for confirmation.

## **7. Treatment of Exchange Based Trades**

### 7.1 Nord Pool

As a OTC broker providing broking services in the Nord Pool market ICAP Energy AS has signed a Broker Agreement with the Nord Pool Clearing that requires that all Nord Pool trades are to be registered using Nord Pools trades registration application, the CDA (Clearing Desk Application). In signing the Broker Agreement with Nord Pool Clearing, ICAP Energy AS also abides by Nord Pool's Market Conduct Rules. Accordingly, ICAP Energy AS is obliged to register all Nord Pool listed trades within 15 minutes from the time of the transaction's completion.

### 7.2 Endex (Netherlands)

Endex exchange listed trades are registered with the exchange by telephone, fax or email; more commonly by telephone in which all such conversations are recorded on tape.



### 7.3 Powernext (France)

The Powernext exchange has provide ICAP Energy AS with a web based application for the registration for exchange listed trades. ICAP Energy AS has also signed the required documentation with the exchange in order to authorized ICAP Energy AS to register such trades.

### 7.4 EEX

As an EEX participant, ICAP Energy AS has access to the EEX clearing ECC (European Commodity Clearing). ECC uses the clearing software provide by Eurex. ICAP Energy AS registers all exchange listed trade executed by ICAP Energy AS.

### 7.5 Future Exchanges

From time to time ICAP Energy AS may offer additional exchange based trading that offers clearing services.

## **8. Recorded Lines**

All dealings must be conducted via in-house recorded phone lines. The use of mobile phones for dealing is strictly prohibited unless prior consent has been given by the Compliance Department. In such circumstances, deals must be re-confirmed on a recorded line to ensure a record of that transaction is kept.

## **9. Fair, Clear and not Misleading Communications**

All communications, including verbal communications, with customers should be clear, fair and must not be misleading.

## **10. Investment Advice**

Brokers must not provide investment advice to customers.

Note that in this context “advice” is advice that relates to buying or selling or not buying or selling a specific investment and not just general market comment or generic advice. If any broker is uncertain as to what constitutes investment advice you should contact the Compliance Officer for guidance.

## **11. Complaints**

If a broker receives any formal complaint, whether oral or written, from any customer or former customer regarding the conduct of investment business by ICAP Energy AS it should be notified immediately to the Compliance Officer.



The Compliance Officer will inform the Managing Director who will then appoint an appropriate person who was not involved in the incident to investigate the matter fully and expeditiously. The Compliance Officer *must* be kept informed throughout such investigations.

Unless the matter is settled instantly, the Compliance Officer will send a letter to the complainant informing him that his complaint has been noted and that the matter is being investigated.

Unless the claim is disputed or ICAP Energy AS considers it necessary to reserve its legal rights, the outcome of the investigation should be notified to the complainant. This notification should contain an explanation of the incident

## **12. Arranging/Name Passing**

### 12.1 Disclosure of Names

The brokers shall not disclose the name of the prospective counterparties to a transaction prematurely or disclose the name of a counterparty that has not accepted the name of counterparty.

However, it is understood that market practice may dictate that names are disclosed prior to a transaction. If it is deemed necessary for a name to be revealed, the name should only be disclosed if the broker is satisfied that both sides display a serious intention to transact. In these circumstances, the broker should seek express permission for the disclosure to be made and keep appropriate records.

To save time and to avoid potential problems in this regard, brokers should endeavour to ascertain from principals indication of any counterparties with whom, for whatever reason, they might be unwilling to deal.

### 12.2 Trade Error Policy and Pro-forma

When a price has been missed then the transaction should generally be completed at the best available price. Any difference on the transaction must be paid in cash, which includes offsetting amounts against commission. Brokers should not accept liability for any differences or be asked to accept liability by a principal to the trade. **Any differences must be reported to the Managing Director or Compliance Officer immediately or their designees.**

### 12.3 Brokerage

Brokerage fees and commissions for name-passing transactions should be paid in cash to the firm, which includes discounting, reducing or rebating commission and in no circumstances should you receive any personal reward or remuneration.



#### 12.4 Best Execution

Brokers shall always endeavour to obtain the best possible price when dealing with or for customers as a matter of best business practice. All transactions shall be executed in compliance with ICAP Energy AS' Best Execution Policy, cf. Section 3.2.4.

### **13. Proprietary Trading**

Brokers shall not in any circumstances commit ICAP Energy AS to enter into any proprietary transactions.

Brokers shall not intentionally cause ICAP Energy AS to take a position in any investments.





**Amendment Index**

Date	Edited by	Version	Comments
9/2/09		1.0	Original version No revisions

**Review Index**

Date	Version	Type of review	Reviewed by	Comments
	1.0		Chairman of Board of Directors	

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## **Table of contents**

1. Introduction
2. Purpose
3. Procedures in the event of a business disruption

### **1. Introduction**

The Managing Director and the Board of Directors shall take all necessary and appropriate actions to insure that all offices of ICAP Energy AS are able to continue business operations in the event of any emergency or disruption of its business or offices.

### **2. Purpose**

The purpose of this routine is to describe measures ICAP Energy AS will take for voice broking in the event of business disruption:

### **3. Procedures in the event of a business disruption**

For voice broking ICAP Energy AS will take the following actions in the event of business disruption:

- In the event that a business disruption to the company's voice broking operations occurs in any of its offices, and is expected to last longer than 24 hours, ICAP Energy AS will identify key brokers who are necessary to continue business operations for the company in its key markets and products.
- Those key brokers will be temporarily relocated to another ICAP office where business facilities and technical services, including telephone, internet and IT services, will be made available to them to continue the voice broking operations of the company.

The primary ICAP office to be used for this business continuity purpose shall be Amsterdam. However, if necessary these key brokers can be relocated to other ICAP offices or to other ICAP Group offices, such as London.