

# Trading Event Rules for Natural Fibre Exchange

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## 1 BACKGROUND

### 1.1 Organizations

Natural Fibre Exchange (“NFX”) operates a trading platform for certain natural fibre products (“Trading Platform”) in conjunction with the Trading Manager.

The Trading Manager is CRA International, Inc. (“CRA”), also known as Charles River Associates.

A Governing Board is governed by the Constitution.

An independent Rulings Panel may be convened in accordance with the Constitution to consider complaints.

### 1.2 Guiding Principles

The Trading Platform is intended to facilitate sales and purchases of certain natural fibre products via a process that promotes independence, neutrality, and transparency, and that is trusted by both sellers and buyers. In furtherance of this objective, the following principles will be used to guide any modifications to the Rules and governance structures, and to inform the administration and operation of the Trading Platform.

#### 1.2.1 Foster Efficient and Competitive Transactions

The Rules are intended to foster efficient and competitive transactions that:

- (a) Encourage the discovery of prices for the Products traded through the competitive interaction of sellers and buyers;
- (b) Establish closing prices at which sellers and buyers are willing and able to transact; and
- (c) Allow sellers and buyers to identify and take responsibility for managing risk.

#### 1.2.2 Enable the Entry of New Sellers and Buyers

The Rules are intended to enable the entry of new sellers and buyers on consistent terms and to facilitate the trading of new Products and contracts.

#### 1.2.3 Comply with the Law

The Rules and actions of all Participants are intended to comply with the laws of all applicable jurisdictions, including commercial, securities, and competition laws.

#### 1.2.4 Robust and Enforceable Rules

The Rules are intended to be robust and enforceable through a process that is neutral and independent, and confers sufficient power to monitor and enforce the Rules.

#### 1.2.5 Transparent Process

The Rules and governance structures are intended to maintain a process that:

- (a) Is transparent;

- (b) Is not biased to any party, including limiting the potential for any party to amend the Rules in a manner that introduces an unjustifiable bias; and
- (c) Achieves a balance between providing certainty within the Rules and flexibility to alter the Rules in line with changes in the market environment.

## **2 REGISTRATION AND PARTICIPATION**

### **2.1 Registration as a Participant**

#### 2.1.1 Participation in a Trading Event

Only Participants may participate in a Trading Event.

#### 2.1.2 Participation Agreement

Any party who wishes to sell or purchase Products in a Trading Event must enter into a Participation Agreement with NFX. The Participation Agreement is accessible on the Information Website.

#### 2.1.3 Participant Roles

Participants may be either a Seller (or an authorized agent acting on behalf of a Seller), a Bidder, or, if allowed by NFX, both. Any Participant granted dual Seller-Bidder status may participate on the Trading Platform only if it agrees to restrictions reasonably imposed by NFX in respect of the internal distribution and access to its Seller information provided under these Rules and information it receives in its capacity as a Bidder under these Rules regarding other Sellers, and (as provided under Rule 2.3.1) on the proviso that it must not bid on Products that it owns during a Trading Event.

#### 2.1.4 How to Register as a Participant

Application to become a Participant will be made in the manner specified by NFX from time to time on the Information Website.

#### 2.1.5 Acceptance

Each applicant to become a Participant will be accepted provided the person:

- (a) Can demonstrate a bona fide intention and capability to comply with these Rules if admitted as a Participant; and
- (b) Meets the published qualifications set out in Rule 2.1.6 (in the case of Bidders) and Rule 2.1.8 (in the case of Sellers),

in each case to the satisfaction of NFX acting reasonably and in a manner consistent with the Guiding Principles.

#### 2.1.6 Acceptance as a Bidder

To be accepted as a Bidder an applicant must:

- (a) Provide the standard information requested on the Information Website;

- (b) Demonstrate that it intends to actively bid in Trading Events to use the Trading Platform as a procurement tool; and
- (c) Provide such additional information requested by NFX relevant to consideration of the matters referred to in this Rule 2.1.6 and Rule 2.1.5.

## 2.1.7 Acceptance as a Bidder Does Not Confer Eligibility

Acceptance as a Bidder does not in itself confer the right to purchase Product in a Trading Event. A Bidder is eligible to purchase Product offered by a Seller only if that Seller has enabled them to bid for that Seller's Products as provided for in Section 4 of the Rules.

## 2.1.8 Acceptance as a Seller

To be accepted as a Seller an applicant must:

- (a) Demonstrate to NFX that offering its Product through the Trading Platform has a reasonable chance of commercial success; and
- (b) Provide such additional information requested by NFX relevant to consideration of the matters referred to in this Rule 2.1.8 and Rule 2.1.5; and
- (c) A Seller also may be required to commit to offer a minimum total quantity for sale annually of product through the Trading Platform.

## 2.1.9 Further Information Requests

NFX may from time to time request information from Participants where necessary for the efficient administration of Trading Events, and Participants must provide such information by the requested date. A Participant should clearly mark as such any commercially sensitive information it provides and request that it be kept confidential.

## 2.1.10 Information Updates

The Participant must promptly notify NFX if any of the information provided by the applicant under Rules 2.1.6, 2.1.8, or 2.1.9 changes.

## **2.2 Binding Obligations in Relation to Trading Events**

### 2.2.1 Rules Binding on Participants

These Rules will govern the operation of the Trading Platform and Trading Events. The terms of use set out on the Bidding Website and the Information Website each form part of these Rules to the extent they are applicable to Participants. To the extent there is any inconsistency between the terms of use and the Rules, the Rules will prevail.

### 2.2.2 Rules an Enforceable Contract

The Rules are a contract enforceable against each Participant by NFX. To the extent that the Rules and/or any Participation Agreement confers benefits on the Trading Manager, the members of the Governing Board, the members of the Rulings Panel and their respective Affiliates, or Affiliates of NFX,



the Rules and/or such Participation Agreement (as applicable) shall be enforceable by such persons in accordance with the terms of Part 2 of the Contract and Commercial Law Act 2017 (the “Act”).

Except as provided for in Rule 2.2.3, these Rules are not enforceable by Participants.

## 2.2.3 Contract Between Winning Bidder and Successful Seller

When Product is sold in a Trading Event a binding contract is formed between each Winning Bidder and the Successful Seller. The terms of the contract formed are:

- (a) The total price payable for the Product is the applicable Winning Price plus the additional charges specified in accordance with Rule 4.1.7 applicable to the Winning Bidder (less any adjustment under that Rule);
- (b) The Winning Quantity (or such quantity as may be rounded) will be shipped during the shipment period as specified for the Product; and
- (c) Rule 4.7.6 and all other terms as specified in the Successful Seller’s Supply Agreement.

This Rule 2.2.3, and the terms of the Successful Seller’s Supply Agreement, are enforceable by, and for the benefit of, the Successful Seller against the Winning Bidder, or by the Winning Bidder against the Successful Seller, and the Act applies accordingly. For the purposes of this Rule 2.2.3, Successful Seller includes any Affiliate of the relevant Seller notified to Bidders under Rule 4.2.3 as the nominated selling entity.

## 2.2.4 NFX and Trading Manager Not Parties to Supply Agreement

NFX and the Trading Manager are not parties to, or liable or responsible for, any Supply Agreement entered into pursuant to Rule 2.2.3 or any other arrangement between a Winning Bidder and a Successful Seller.

## 2.2.5 Disputes Governed by Supply Agreement

Disputes between Successful Sellers and Winning Bidders under any Supply Agreement are governed by the terms of the Successful Seller’s Supply Agreement.

## 2.3 Conduct of Participants

### 2.3.1 General Obligation

No Participant may take any action, or omit to take any action, if the act or omission will have, or may have, the effect of creating or causing a false or misleading appearance of, or a false or artificial market for, participation, supply or demand in a Trading Event, and the Participant knows, or ought reasonably to know, that person’s act or omission will, or is likely to have, that effect. Without limiting the foregoing, in no event may:

- (a) Any Participant who is granted dual Seller-Bidder status bid on Products that it owns; or
- (b) Any Participant conduct shill-bidding or otherwise manipulate prices by assuming multiple roles in a single Trading Event.

## 2.3.2 Prohibition on Collusion

Participants will not at any time directly or indirectly communicate, or enter into any agreement, arrangement or understanding, with any other person with respect to:

- (a) Whether or not they will participate in any Trading Event;
- (b) The amount of any bid or offers made or expected to be made by any Participant;
- (c) The bidding or sale strategies of any Participant; or
- (d) Any action that is intended to, or may, have the effect of manipulating the outcome of a Trading Event.

## 2.3.3 Exceptions

Rule 2.3.2 does not prohibit or restrict disclosure by a Participant to:

- (a) NFX or the Trading Manager under the Rules; or
- (b) Any consultant to or lawyer representing the Participant, or any person that is providing financing to the Participant for the purposes of acquiring Products in a Trading Event, unless such consultant or person providing financing is also:
  - (i) A Participant or an Affiliate of a Participant;
  - (ii) A consultant to another Participant; or
  - (iii) Is employed or engaged by, or is a director, partner or other principal of, a person which is a consultant or professional advisor to another Participant.

## 2.3.4 Participant Responsible for Breach by Affiliates

Participants will procure and be responsible for compliance with these Rules by each of their Affiliates (as if such Affiliates were Participants) that have any involvement (including as agent or sub-contractor) in the Participant's participation in Trading Events, access to any portion of the Trading Platform or dealings with NFX and/or the Trading Manager.

## 2.3.5 NFX May Request Information

At any time NFX may require a Participant to provide information to satisfy it that the Participant or any of its Affiliates has not engaged and does not intend to engage in conduct that would breach Rules 2.3.1-2.3.4.

## 2.4 Status of Rules, Rights and Liabilities of NFX

### 2.4.1 Governing Law

The Rules are governed by New Zealand law. Each Participant will be deemed, by entering into a Participation Agreement with NFX, to have submitted irrevocably to the non-exclusive jurisdiction of the Courts of New Zealand.

## 2.4.2 Costs

NFX and the Trading Manager will not be liable under any circumstances for any costs or expenses incurred by the Participant as a result of participating in, or attempting to participate in, any Trading Event (including for a situation where there has been a breach of these Rules by any person).

## 2.4.3 Liability of Administrative and Governance Bodies Limited

To the maximum extent permitted by law, none of NFX, the Trading Manager, the members of the Governance Board, and the members of the Rulings Panel appointed under the Rules (in respect of conduct or omissions when acting in that capacity), or any of their directors, officers, employees, representatives, agents or, except as expressly provided in any Participation Agreement, Affiliates shall be liable to any person under these Rules, any Participation Agreement, or otherwise.

## 2.5 Termination, Suspension, and Disputes

### 2.5.1 Termination by Participant

A Participant may terminate its Participation Agreement at any time on 21 days written notice to NFX.

### 2.5.2 Termination Due to Inactivity

NFX may terminate without notice the Participation Agreement of any Participant who has been inactive on the Trading Platform for a period of more than 12 months.

### 2.5.3 Termination by NFX Due to Discontinuation

NFX may terminate the Participation Agreements of each Participant on three months written notice to the Participant if NFX elects to discontinue the Trading Platform. In such circumstances, NFX will publish the fact that it is discontinuing the Trading Platform and the date on which the Trading Platform will be discontinued promptly on the Information Website.

### 2.5.4 Termination or Suspension by NFX Due to Default

A Participant is in default under these Rules if:

- (a) The Participant or any of its Affiliates has breached these Rules (as determined by the Rulings Panel or by NFX) and, if such breach is capable of being remedied, fails to remedy such breach to NFX's reasonable satisfaction within seven days after receiving written notice from NFX to remedy the breach; or
- (b) The Participant or its Guarantor:
  - (i) Is insolvent or bankrupt;
  - (ii) Is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
  - (iii) Has a value of its assets taken as a whole which is less than its liabilities (taking into account contingent and prospective liabilities);

- (iv) Has a moratorium declared in respect of any of its indebtedness;
- (v) Goes into receivership, administration, liquidation, statutory management or any similar process in any jurisdiction, or any such step is commenced, in respect of all or any of its property; or
- (vi) Undergoes any direct or indirect change of control, or direct or indirect change in the legal or beneficial ownership of more than 25% of its share capital, securities, possession of voting power or by contract, trust or otherwise, either by a single event or series of events over any period of time where such an event means that the Participant (in the reasonable opinion of NFX) no longer satisfies the acceptance criteria under Rule 2.1.5.

The Participant must give notice to NFX as soon as practical after it has become aware of any actual or proposed event or circumstance as a result of which the Participant could breach this Rule and must provide NFX with such further information that it may request in connection with that actual or proposed event or circumstance.

## 2.5.5 Default Notice

If a Participant is in default under these Rules, NFX, by notice in writing to the Participant, may either:

- (a) Terminate that Participant's Participation Agreement; or
- (b) Suspend that Participant from one or more Trading Events.

## 2.5.6 Consequences of Default

Upon a notice being given by NFX pursuant to Rule 2.5.5, the Participant will:

- (a) Either permanently (in the case of termination) or for a period specified by NFX (in the case of suspension) cease to be a Seller or a Bidder (as applicable), and for the relevant period will have no right to directly or indirectly list, sell, purchase, or acquire any of the Products at Trading Events.
- (b) Be liable to NFX for any loss or damage incurred by NFX in connection with the relevant default.

## 2.5.7 Suspension of Participant

If a Participant is suspended under Rule 2.5.5(b), then NFX may, as a condition of permitting the Participant to recommence participating in the Trading Events, impose such conditions as NFX thinks fit. These conditions may include, but are not limited to, a requirement for the Participant to provide pre-event and success deposits.

## 2.5.8 Termination Not to Affect Accrued Rights

Notwithstanding anything herein to the contrary, termination of a Participation Agreement shall be prospective only and shall be without prejudice to any accrued rights, benefits or obligations of the parties or any third-party beneficiary and will not relieve the Participant or any Guarantor of any obligation to conclude the purchase of any Product in respect of which the Participant is the Successful Seller or a Winning Bidder or for breach of any Rule or the Participation Agreement prior to such termination. For the avoidance of doubt, all provisions of the Rules and any Participation Agreement providing for any limitation on liability, disclaimer of liability, rights of indemnification or third-party beneficiary rights,

Section 4 of the Participation Agreement, and Sections 2.4 and 2.5 of the Rules shall survive termination of the Participation Agreement.

## 2.5.9 Notices

All notices under these Rules must be in writing (which includes email and facsimile communications) and are deemed to be delivered if sent (physically or electronically) to the address, email account, or facsimile number held by, or specified to, NFX from time to time.

## 3 GOVERNANCE AND ADMINISTRATION

### 3.1 Governance

#### 3.1.1 Governance Board Governed by Constitution

The Governance Board will be governed by the Constitution, and will include representatives from NFX shareholders. The Governance Board also may include independent advisors.

#### 3.1.2 Objective of Governance Board

One of the objectives of the Governance Board is to ensure the Trading Platform is operated and developed in accordance with the Guiding Principles.

#### 3.1.3 Appointment of Governance Board

Members of the Governance Board will be appointed and removed in accordance with the Constitution.

### 3.2 Amendments to Rules

#### 3.2.1 Rule Changes

NFX from time to time may change the Rules by implementing a new rule or amending or revoking an existing Rule.

#### 3.2.2 Application to Prior Transactions

Any amendments to the Rules pursuant to this Section 3 will not apply to transactions entered into prior to the date of the amendment unless NFX and the Participants involved in the transaction agree otherwise.

### 3.3 Complaints and Rulings

#### 3.3.1 Participants May Lodge Complaint

A Participant who considers that another Participant or any of its Affiliates has committed a breach of the Rules may lodge a complaint in the manner specified by NFX. Any such complaint must be:

- (a) Made in writing and signed by the Participant's chief executive officer or general counsel (or a similar senior executive-level employee of the Participant); and
- (b) Accompanied by the prescribed fee (if any), provided that if the complaint is upheld such fee will be refunded to that Participant in full.

For the avoidance of doubt, this complaints process does not provide Participants with a forum through which to dispute any act or omission of NFX or any issues arising between Participants or any of their Affiliates under a Supply Agreement or otherwise at law (as stated in Rules 2.2.2 and 2.2.5).

### 3.3.2 NFX May Lodge Complaint

NFX, whether of its own volition or in response to information received from one or more Participants, may lodge a complaint from time to time in the prescribed manner where it considers that a Participant or any of its Affiliates has committed a breach of the Rules.

### 3.3.3 Complaints Disclosed to Chairperson of the Governance Board

NFX will, as soon as reasonably practicable, disclose each valid complaint lodged to the chairperson of the Governance Board (subject to any redactions necessary to comply with the Constitution or compliance advice it has received). The chairperson of the Governance Board will deal with any such complaints referred to him or her in accordance with the Constitution, including, if necessary, by convening a Rulings Panel to determine the complaint. If the chairperson is conflicted in relation to a complaint or there is no chairperson currently appointed to the Governance Board, the Rulings Panel may be convened in accordance with the process otherwise set out in the Constitution, subject to any provisions therein.

### 3.3.4 Rulings

NFX in its absolute discretion may make rulings as to the meaning or interpretation of any one or more of the Rules, either at the request of a Participant, the Governing Board, the Rulings Panel or otherwise, and whether or not a dispute exists.

### 3.3.5 Publication of Interpretation Rulings

NFX will publish on the Information Website each ruling made under Rule 3.3.4 at the sole discretion of the Governing Board.

## 3.4 Market Administration

### 3.4.1 Market Administration

NFX will act as market administrator. This role will involve compiling and distributing certain Participant-related information under these Rules and carrying out certain other functions specified in the Rules including the monitoring of and publicly commenting on Trading Event outcomes and providing secretarial functions in respect of the Governance Board established under Section 3 of the Rules and the Rulings Panel.

### 3.4.2 Exercise of Discretions

In exercising its discretionary powers under these Rules, NFX will act by reference to the Guiding Principles. Without limitation to these obligations, NFX will seek appropriate legal and economic advice in respect to the exercise of its powers.

### 3.4.3 Confidential Information Protocols

In addition to its obligations under Rule 4.2.8, until NFX ceases to be an Affiliate of a Seller, or for so long as a Seller has a shareholding in NFX or a representative on the Governance Board of NFX, NFX must maintain in place the protocols and procedures it adopted, which reflect compliance advice it has received, to ensure that its activities and the information it holds in its capacity as market administrator are clearly separated from the other business activities such Seller carries on as a manufacturer of Products offered on the Trading Platform.

### 3.4.4 Recognized Financial Markets

Where a financial instrument offered by a recognized financial market is settled by reference to the Winning Prices for a Product offered on the Trading Platform, NFX may modify the application of certain rules in respect of access to information relating to Trading Events (including access to the Bidding Website to observe Trading Events) for the purpose of providing financial markets (including financial market operators) with access to the same information as Participants on the Trading Platform relevant to assessing the price of the Product and the operation of Trading Events.

### 3.4.5 Appointment of Trading Manager

NFX will appoint a Trading Manager to manage Trading Events and provide advice in relation to the Trading Platform. That Trading Manager must not be directly or indirectly controlled by any Participant. The terms of that appointment will be agreed by the Trading Manager and NFX but such terms must require the Trading Manager to operate Trading Events in accordance with these Rules. NFX at any time may change the Trading Manager in accordance with the terms of its agreement with the Trading Manager.

## 4 OPERATION OF TRADING EVENTS

### 4.1 General Terms

#### 4.1.1 NFX to Determine Operational Parameters

NFX will determine:

- (a) The dates and starting times for Trading Events;
- (b) The Product types that may be offered at Trading Events;
- (c) The content and format of information to be published on the Bidding Website and the Information Website and the timing of its publication;
- (d) The fees payable by Participants and by other parties for any data, information, or services related to Trading Events or to the Trading Platform, and payment terms; and
- (e) Any other operational matters required to operate Trading Events in accordance with these Rules.

#### 4.1.2 Exposures to be Managed by Bid Limits

Prior to each Trading Event, each Seller will specify for each Bidder any quantity Bid Limits that specify the maximum quantities the Bidder is allowed to bid on one or more of the Seller's Products. A Seller shall allow a Bidder to bid on its Products only for the purpose of potentially selling Products to that Bidder

(and not for any other reason, including for the purpose of enabling that Bidder to monitor information disclosed through a Trading Event).

#### 4.1.3 Restricted Products to be Managed by Bidder Product Restrictions

Prior to each Trading Event, each Seller may specify for a Bidder an individual Product or group of the Seller's Products the Bidder is not permitted to bid on during the Trading Event (Bidder Product Restrictions).

*Explanatory Note: The purpose of the Bidder Product Restrictions is to enable the eligibility determinations of a Seller in respect of a Bidder to be integrated into the processes of the Bidding Website as well as the contractual arrangements established under Rule 2.2.3.*

#### 4.1.4 Quantity Units

Unless otherwise specified on the Bidding Website, quantities may be specified in number of lots, number of bales, number of kilograms ("kg"), number of metric tons ("MT"), and/or number of bidding activity points. Each lot has a specified number of kg (or MT), and a specified number of bidding activity points (if the Trading Event uses bidding activity points).

#### 4.1.5 Prices to be Denominated in New Zealand Dollars ("NZD")

Unless otherwise specified on the Bidding Website, all Starting Prices, Minimum Required Bid Prices, and Winning Prices for Products offered at Trading Events are denominated in NZD.

#### 4.1.6 Prices to be Specified on Shipping Basis as Per the Bidding Website

Each lot available at a Trading Event will have a specified base shipping term offered. This specified shipping term will relate to the Starting Price, Minimum Required Bid Price, and Winning Price for the lot.

*Explanatory Note: Adjustments to the final invoice price will be specified under Rule 4.1.7 to reflect negotiated delivery arrangements between the Seller and the Winning Bidder.*

#### 4.1.7 Sellers May Specify Additional Charges or Adjustments

A Seller may specify additional charges to be paid by Winning Bidders for the Seller's Products that are additional to the Winning Price. Charges or adjustments also may be specified to reflect a non-sea freight mode of delivery. Any such additional charges will be to compensate the Seller for additional services provided to a Bidder, for example (but without limitation) freight, insurance, provision of health or other certification requirements, and to take into account any export subsidies that may be available.

*Explanatory Note: Any additional charges or adjustments will not be payable unless they have been notified to Bidders in advance of the Trading Event as provided in Rules 4.2.2 and 4.2.3.*

#### 4.1.8 NFX Participation Fees

The fees payable by Participants are:

- (a) For Sellers, as established by NFX, and
- (b) For Bidders, no participation fees will be charged.



## 4.1.9 Payment by Sellers

In respect of each Trading Event, each Seller must pay its participation fee in the manner and by the date specified by NFX.

## 4.1.10 Participants to Provide Information by Approved Method and Format

Each Participant must provide to NFX or the Trading Manager all information required under these Rules using the method and format specified by NFX.

## 4.1.11 Seller May Consent to its Winning Prices Being Used to Settle Financial Instruments

A Seller may (but is not obliged to) provide consent to NFX to its Winning Prices for Products sold at Trading Events to be used to settle financial instruments offered by recognized financial markets.

Where such consent is provided, that Seller must not cease to offer any such Products for sale at two or more consecutive Trading Events without providing not less than six months written notice to NFX and the relevant recognized financial markets (with such notice to state whether the Seller intends to temporarily or permanently cease to offer any such Products for sale at Trading Events). A Seller is not entitled to terminate its Participation Agreement during such notice period.

A Seller does not breach this Rule 4.1.11 where it ceases to offer any Products for sale at two or more consecutive Trading Events due to an event or circumstance beyond that Seller's reasonable control.

## 4.2 Pre-Event Process

### 4.2.1 NFX to Provide List of Bidders

No later than 10 days prior to each Trading Event, NFX will provide to each Seller the list of Bidders if the list of Bidders has changed since the most recent Trading Event.

### 4.2.2 Sellers to Provide Bidder-Specific Information

No later than the date and time as notified by NFX from time to time prior to the Trading Event, each Seller will provide to NFX the following information in relation to each Bidder:

- (a) The Seller's Bid Limits, if any, as provided under Rule 4.1.2; and
- (b) If relevant, the Seller's Bidder Product Restrictions as provided under Rule 4.1.3.

If a Seller does not provide the information above, the Seller's bidder-specific information will be assumed to be the Seller's bidder-specific information that was in effect for the most recent Trading Event.

### 4.2.3 Bidders to Access Information Prior to Trading Event

Prior to the Trading Event, NFX will make available to each Bidder the information specific to them that has been received from Sellers under Rule 4.2.2 and any notice or information that a Seller may wish to provide to Bidders relating to Products offered by the Seller.

*Explanatory Note: NFX may choose to make information received under Rule 4.2.2 available to each Bidder via the Bidding Website.*

#### 4.2.4 Sellers May Set Bid Limits at Zero

In any Trading Event, a Seller may set the Bid Limits for one or more Bidders to zero.

*Explanatory Note: If a Seller sets a Bidder's Bid Limit(s) to zero, the Bidder will not be able to bid on the Seller's Products for that Trading Event.*

#### 4.2.5 Sellers May Disclose Certain Forecast Information

A Seller may, but is not required to, provide to Bidders or its customers or by publication to a recognized financial market in accordance with Rule 3.4.4, forecast offer quantities and other forecast information but must not provide such information to other Sellers. This forecast information may include forecast offer guidance ranges within which the Seller expects its actual and/or forecast offer quantities to be situated under normal circumstances (and given that Seller's normal range of offer quantity variability). Any Seller that elects to provide forecast offer guidance ranges may later cease this practice by giving not less than three months' prior notice to NFX.

If forecasts are provided from five or more Sellers, then NFX may provide an aggregated forecast on the Information Website.

#### 4.2.6 Seller May be Required to Provide Explanatory Note

Without limiting a Seller's general obligations under Rule 2.3.1, or a Seller's freedom to:

- (a) Update its forecast information (including guidance ranges) from time to time; or
- (b) Provide additional information to Bidders or its customers or any recognized financial market relevant to assist in interpreting its forecast information (including guidance ranges),

if one or more of a Seller's actual and/or forecast offer quantities will fall outside of its forecast guidance range provided under Rule 4.2.5, that Seller may be required, as close as reasonably possible to the release of its Product supply information to Bidders under Rule 4.2.10, to issue an explanatory note to Bidders or its customers or any recognized financial market (as relevant) outlining the reason(s) for such deviation from its forecast guidance range.

#### 4.2.7 NFX to Enforce Confidentiality of Pre-Event Information

In the event that NFX, or an independent inspector appointed by NFX, determines (using such process as it thinks fit), that a Seller has not complied with Rule 4.2.5, or that a Seller or Bidder has not complied with Rule 4.2.8, NFX may suspend the Seller's or Bidder's (as applicable) participation in the Trading Platform in accordance with Rule 2.5.4.

#### 4.2.8 Bidder Information to be Confidential

Bidder-specific information provided under Rule 4.2.2 must be kept confidential to the relevant Bidder, relevant Seller, relevant agent acting on behalf of Seller (if any), and NFX.

## 4.2.9 Sellers to Provide Product Supply Information

No later than the date and time as notified by NFX from time to time prior to the Trading Event, each Seller will provide to the Trading Manager the following information for each Product they wish to offer in the Trading Event: the Supply Quantity, the grade and/or other specifications, and the Starting Price.

## 4.2.10 Product Supply Information to be Published to Bidders

Prior to the Trading Event, Bidders will be provided:

- (a) The information received from Sellers under Rule 4.2.9 and, if provided, under Rule 4.2.5 and 4.2.6; and
- (b) A statement to the effect that Bidders must not provide such information to any other person.

## 4.2.11 Product Supply Information to be Confidential

Subject to any modifications in force under Rule 3.4.4, Participants must keep strictly confidential the information provided under Rule 4.2.10. In particular, except for any modification in place pursuant to Rule 3.4.4, such information should not be communicated by any Seller to another Seller.

## 4.2.12 NFX to Enforce Confidentiality of Product Supply Information

In the event that NFX, or an independent inspector appointed by NFX, determines (using such process as it thinks fit), that a Participant has not complied with Rule 4.2.11, NFX may suspend the Participant's participation in the Trading Platform in accordance with Rule 2.5.4.

## 4.2.13 Sellers Responsible for Providing Correct Information

Each Seller is responsible for ensuring the information required under this Rule 4.2 is complete and correct in all respects and in the format specified by NFX, in particular:

- (a) A Seller may not change its information provided under this Rule 4.2 later than the date and time as notified by NFX from time to time before the Trading Event;
- (b) Where NFX or the Trading Manager determines in their sole discretion that the information is incomplete, incorrect, or not in an acceptable format, the Seller's Products will not be offered at the Trading Event; and
- (c) NFX and the Trading Manager have no responsibility to any Participant for the consequences of information being incomplete, incorrect, or in a non-prescribed format or if the Seller's Products are not offered at the Trading Event.

## 4.2.14 Trading Manager to Open Bidding Website

The Trading Manager will open the Bidding Website to Participants, and to any third-party observers approved by NFX in writing, before the commencement of each Trading Event.

*Explanatory Note: The Bidding Website will open starting 48 hours prior to the Trading Event and will close 48 hours after the Trading Event. Failure to ensure the Bidding Website is open continuously during this period will not contravene these Rules or invalidate the Trading Event.*

## 4.2.15 Bidders Responsible for Connection to Bidding Website

Each Bidder is responsible for establishing and maintaining its Internet connection to the Bidding Website during the Trading Event. NFX and the Trading Manager have no responsibility for an Internet connection that is unsatisfactory or insufficient to enable the Bidder to participate in the Trading Event.

## 4.2.16 Bidders Unable to Connect May Contact NFX Trading Events Help Desk (“Help Desk”)

A Bidder who is unable to connect to the Bidding Website or otherwise encounters technical difficulties may use the following contact information:

- (a) Call the Help Desk by phone when it is open; or
- (b) Send an email to [NFXBidderHelp@crai.com](mailto:NFXBidderHelp@crai.com)

*Explanatory Note: The Help Desk ordinarily will be available starting one to two hours prior to the start of the Trading Event until the close of the Trading Event. Failure to ensure the Help Desk is open continuously during this period will not contravene these Rules or invalidate the Trading Event. Outside of these times, Bidders will direct all enquiries (depending on the nature of the enquiries) either to Sellers directly or to NFX or the Trading Manager via the email address above. A person sending an email to the email address above must be aware that NFX or the Trading Manager may view the email during United States business hours and that failure to respond to the email prior to the Trading Event will not contravene these Rules or invalidate the Trading Event.*

## 4.3 Conduct of Trading Events

### 4.3.1 Trading Events to be Conducted as Multiple-Round Auctions

Each Trading Event will be conducted by the Trading Manager as a simultaneous, multiple-round, ascending-price auction involving:

- (a) Bidding rounds (Rounds) during which Bidders may submit bids on multiple Products as provided in Rule 4.4;
- (b) End-of-Round (EOR) periods during which the Trading Manager reviews the results of the Round and announces prices for the next Round as provided in Rule 4.5; and
- (c) Closing the Trading Event when the closure requirements have been met.

### 4.3.2 Trading Manager Determines Duration of Rounds

The Trading Manager will determine the duration of Rounds and EOR periods, which may be varied at any time prior to and during a Trading Event.

### 4.3.3 Bidders Not Obligated to Bid

A Bidder is under no obligation to submit a bid during a Trading Event.

### 4.3.4 Bidders May Bid on Any Unrestricted Products

A Bidder may bid on any of the Products offered that a Seller has not specified as being subject to a Bidder Product Restriction under Rule 4.1.3, subject to the Bidder’s Bid Limits with the Seller and the other Rules governing what a Bidder can bid including a Bidder’s Eligibility. For the avoidance of doubt,

as provided under Rules 2.3.1 and 4.1.3, a Bidder is not eligible to bid, and must not bid, on any Products that the Bidder owns.

#### 4.3.5 Trading Manager Communication

Except for communication through the Bidding Website and the Help Desk, the Trading Manager must not communicate with Bidders at any time before, during, or after Trading Events in relation to any matter that may affect a Trading Event.

### 4.4 Bidding Rounds

#### 4.4.1 Minimum Required Bid Prices

Prior to the start of each Round, the Bidding Website will display the Minimum Required Bid Price for each Product in effect for that Round, such that:

- (a) For Round 1, the Minimum Required Bid Price is the Starting Price for the relevant Product; and
- (b) For subsequent Rounds, the Minimum Required Bid Price for a Product will be equal to its preceding Minimum Required Bid Price plus any Price Increment determined in accordance with Rule 4.5.7.

#### 4.4.2 When a Bidder May Submit a Bid

Once the Bidding Website opens for a Trading Event prior to Round 1, a bidder can submit its bid for Round 1 until Round 1 closes.

More generally, a Bidder can submit its bid for Round R+1 after the results for Round R are published to the Bidding Website and until Round R+1 closes. For example, a Bidder can submit its bid for Round 3 after the results for Round 2 are published and until Round 3 closes.

#### 4.4.3 Bidders Bid on a Product by Submitting a Price for that Product

A Bidder may bid on a Product by entering the maximum price the Bidder commits to pay to purchase the Product.

#### 4.4.4 Bidders Cannot Exceed Bid Limits

The quantity in a Bidder's bid for a Seller's Products cannot exceed the Bidder's relevant Bid Limit(s) as specified by the Seller under Rule 4.2.2.

#### 4.4.5 Bidders Cannot Exceed Eligibility

The total quantity in a Bidder's bid across all Products cannot exceed the Bidder's Eligibility for the relevant Round as notified on the Bidding Website.

#### 4.4.6 Bidder Eligibility for First Round

Each Bidder's Eligibility for Round 1 of the Trading Event is referred to as the Bidder's Initial Eligibility for the Trading Event.

#### 4.4.7 Bidder Eligibility for Second and Subsequent Rounds

For the second and each subsequent Round, the Bidder's Eligibility will be determined by the EOR Procedure under Rule 4.5.6.

*Explanatory Note: A Bidder's Eligibility cannot increase during the Trading Event; it can only remain the same or decrease from Round to Round. If the total quantity in a Bidder's bid is less than its Eligibility in effect during the Round, then its Eligibility may be reduced for the next Round as determined by the EOR Procedure described in Rule 4.5. The only way that a Bidder can ensure that its Eligibility is not reduced for the following Round is if the total quantity in the Bidder's bid across all Products is equal to its Eligibility in effect for the Round.*

#### 4.4.8 Bidders with Zero Eligibility Cannot Bid

A Bidder whose Eligibility falls to zero during the Trading Event is not allowed to submit further bids in the Trading Event and the Bidder may lose access to the Bidding Website for the remainder of the Trading Event.

#### 4.4.9 Only Confirmed Bids are Valid Bids

The Trading Manager will confirm to the Bidder that its bid is valid and is a Confirmed Bid by issuing a confirmation number on the Bidding Website observable only by the Bidder.

#### 4.4.10 New Bids Replace Old Bids

If a Bidder submits and confirms more than one bid during a Round, each new Confirmed Bid replaces any prior bids that the Bidder may have submitted during that Round. The Bidder's Confirmed Bid for the Round is the last Confirmed Bid that it submitted prior to the Round closing.

*Explanatory Note: When a Bidder re-submits and confirms a bid the new Confirmed Bid will replace the previous Confirmed Bid in its entirety. This means that when re-submitting a bid, the Bidder must enter a price for each of the Products for which it intends to bid, including those Products for which it wishes to bid the same price as in their previous Confirmed Bid.*

#### 4.4.11 End-of-Round Confirmed Bids are Irrevocable and Binding

At the end of a Round, all Confirmed Bids are irrevocable and binding on the Bidder.

#### 4.4.12 Bidding Via Help Desk

A Bidder who is unable to participate in a Trading Event through the Bidding Website may contact the Help Desk and request the Help Desk to place a bid on its behalf.

#### 4.4.13 Help Desk has No Liability

The Trading Manager and NFX have no liability whatsoever under any circumstances to the Bidder in the event that the Help Desk is not able to or does not for any reason submit and confirm the bid as requested by the Bidder.

#### 4.4.14 Help Desk Validity

A bid placed by the Help Desk on behalf of a Bidder will be valid as if the Bidder had placed the bid.

## 4.4.15 Limited Information Disclosed to Help Desk

A Bidder who contacts the Help Desk will identify itself solely through its username and password, and must not otherwise disclose its company name or similar identifying information.

## 4.5 End-of-Round Procedure

### 4.5.1 Trading Manager to Apply EOR Procedure

At the end of each Round the Trading Manager will process the Confirmed Bids to determine:

- (a) The level of demand for each Product;
- (b) The Standing High Bid for each Product (if any);
- (c) The Standing High Bidder for each Product (if any);
- (d) The Eligibility for each Bidder for the next Round;
- (e) The Minimum Required Bid Price for each Product for the next Round; and
- (f) Whether the criteria have been met for the Trading Event to be closed.

### 4.5.2 Standing High Bid (SHB) and Standing High Bidder

The Standing High Bid and the Standing High Bidder on a Product are determined as follows:

- (a) If no bid was submitted on the Product, the SHB for the Product remains the SHB for the Product, if any, that was in effect entering the round. The Standing High Bidder for the Product remains the Standing High Bidder for the Product, if any, that was in effect entering the round.
- (b) If only one bidder submitted a bid on the Product:
  - (i) If the Product did not have a Standing High Bidder entering the round, then the SHB for the Product is set equal to the Minimum Required Bid price for the Product that was in effect entering the round. The Standing High Bidder for the Product is the bidder who submitted the bid on the Product.
  - (ii) If the Product did have a Standing High Bidder entering the round, and the one bidder who did submit a bid on the Product was that Standing High Bidder, then the SHB for the Product remains the SHB for the Product that was in effect entering the round. The Standing High Bidder for the Product remains the Standing High Bidder for the Product that was in effect entering the round.
- (c) Otherwise, the bids on the Product — including the bid price of the Standing High Bidder entering the round, if any — are sorted in descending order by their bid prices. The Standing High Bidder on the Product is the Bidder who submitted the highest bid price on the Product (subject to the tie-breaker rule explained below). The SHB for the Product is set equal to:
  - (i) The bid price that is listed second in that ordering of bid prices, plus
  - (ii) Possibly a small price increment.

## 4.5.3 Tie-Breaker Rule

If, in the determination of the SHB, there are two or more bidders who could be the Standing High Bidder, then a tie-breaking rule is applied as follows to determine the Standing High Bidder: each such bidder is assigned a random number, and the bidder that is assigned the lowest random number is deemed to be the Standing High Bidder.

## 4.5.4 Default Bid

If no Confirmed Bid was received from a Bidder with positive Eligibility, the Trading Platform will submit a default bid on behalf of the Bidder which will be treated as a Confirmed Bid in all respects as if the Bidder had submitted and confirmed the bid. For each Product, the default bid will be the bid as if the Bidder bid on no products.

## 4.5.5 Demand Measured as the Sum of Confirmed Bids

The Trading Manager will calculate demand for each Product, by aggregating across Bidders the quantity bid in the Confirmed Bids for that Product and making any adjustments in accordance with the Rules.

## 4.5.6 Determination of Eligibilities

On completion of the EOR Procedure, each Bidder's Eligibility for the next Round will be equal to the Bidder's total quantity across all Products in its bid.

## 4.5.7 Determination of Price Increments

The Trading Manager in its sole discretion will determine for each Product a Price Increment (if any) which will cause the Minimum Required Bid Price for the next Round to exceed the SHB that is in effect during the next Round.

## 4.5.8 Trading Manager to Report Round Results

As soon as possible following completion of the EOR Procedure, the Trading Manager will report the Round results on the Bidding Website including the following information:

- (a) For each Product:
  - (i) The Standing High Bid (if any);
  - (ii) The Price Increment for the next Round (if any); and
  - (iii) The Minimum Required Bid Price for the next Round.
- (b) For each Bidder (to be observed only by the relevant Bidder):
  - (i) Details of that Bidder's Confirmed Bid in the completed Round;
  - (ii) Each Product (if any) for which the Bidder is the Standing High Bidder; and
  - (iii) The Bidder's Eligibility for the next Round.



## 4.5.9 NFX to Make Round Results Available to Interested Parties

Subject to Rule 3.4.3, as soon as possible after receiving data under Rule 4.5.8 or otherwise, NFX may make the following information available to any interested party, either by publishing free of charge or through a data subscription service:

- (a) Certain information related to Minimum Required Bid Prices; and
- (b) Such other information relating to the completed Round that NFX determines.

## 4.6 Closure of Trading Event

### 4.6.1 The Closing Rule

After each Round ends, the Trading Manager will apply the following criteria (if a criterion is satisfied, the remaining criteria are ignored):

- (a) If no Bidder submitted and confirmed a valid bid in the round, then the Trading Event is closed.
- (b) If the Round was the first Round of the Trading Event and fewer than two bidders submitted and confirmed a bid in the round, then the Trading Event is closed.
- (c) If there is no Bidder who can bid on at least one lot in the next Round that it is not the Standing High Bidder on entering the Round, then the Trading Event is closed.
- (d) If there is at least one lot on which the Standing High Bidder entering the next Round is different than the Standing High Bidder on the lot entering the Round that just ended, then the Trading Event is not closed and continues with the next Round.
- (e) If the maximum number of consecutive rounds allowed with no change in the Standing High Bidder on any lot has been reached, then the Trading Event is closed. (This maximum number of consecutive rounds allowed is a parameter specified prior to the Trading Event. Typically it is a small number such as two. The intent is to prevent prolonging the Trading Event if there are no changes in Standing High Bidders.)
- (f) Otherwise, the Trading Event is not closed and continues with the next Round.

### 4.6.2 Determination of Winning Prices

Following the last Round of the Trading Event as determined by the closing Rule, the Winning Price for each Product will be the Standing High Bid as determined by the EOR Procedure.

### 4.6.3 Determination of Winning Bidders

The Winning Bidders are the Standing High Bidders as determined by the EOR Procedure following the last Round of the Trading Event.

### 4.6.4 Determination of Successful Sellers

The Successful Sellers are the Sellers who offered Products that have a Winning Price as determined by the EOR Procedure following the last Round of the Trading Event.

## 4.7 Post-Event Process

### 4.7.1 Publication of Results

Without limiting Rule 4.7.7, as soon as possible following the close of a Trading Event:

- (a) The Trading Manager will publish on the Bidding Website all Winning Prices;
- (b) Certain other results of the Trading Event will be published on the Information Website; and
- (c) Subject to Rule 3.4.3, NFX may make certain information available to any interested party either by publishing free of charge or through a data subscription service, such information will exclude Bidder-specific information.

### 4.7.2 Trading Manager to Give Notice When Results are Final

All Trading Event results displayed on the Bidding Website and Information Website at the close of a Trading Event are preliminary and subject to correction until such time as the Trading Manager declares them to be final.

### 4.7.3 Trading Manager to Provide Results to Participants

After the close of a Trading Event, the Trading Manager will provide the following results through the Bidding Website or by other means:

- (a) To each Bidder, its Winning Price on each Product identifiable by Seller;
- (b) To each Seller, its Winning Price on each Product identifiable by Bidder; and
- (c) Subject to Rule 4.7.4, to NFX such information as required for the purpose of analyzing and enhancing the performance of the Trading Platform.

Except as expressly contemplated by Rules 4.5.9 and 4.7.1, information provided under Rule 4.7.3 must be kept confidential to the relevant Bidder, relevant Seller, and NFX.

### 4.7.4 Trading Manager Cannot Provide Bidding History to Non-Bidders

Unless a Bidder has given consent in writing, the Trading Manager must not provide to NFX or any Seller any information that would enable NFX or any Seller to identify any Bidder's Round-by-Round bids in any Trading Event.

### 4.7.5 Seller to Contact Winning Bidders

Following the close of the Trading Event, each Seller must contact each Winning Bidder for its Products and take such action as is required to give effect to the sale on the terms set out in the Seller's Supply Agreement.

### 4.7.6 Successful Sellers and Winning Bidders Bound by Product Specification

Product supplied to Winning Bidders by Successful Sellers must meet the Product specification provided by each Seller. Bidders must satisfy themselves that the Product they are bidding on meets their requirements in all respects, and in particular that any Product it places a bid on meets the import requirements of the proposed destination country. Unless a Successful Seller agrees otherwise in writing

with a Winning Bidder, the Successful Seller will not be required to satisfy any specific Product attributes, or provide test results or import documentation that is not listed in the Product specification.

#### 4.7.7 NFX May Issue Public Statements

From time-to-time, NFX may issue a public statement summarizing the results of one or more Trading Events and/or setting out its intentions for future Trading Events. Except as provided in Rule 4.7.1 such statements must not refer to or identify an individual Participant's results.

#### 4.7.8 NFX May Provide Aggregate Bidder Information to Sellers

From time to time, NFX may provide to a Seller a list of the Bidders who have previously purchased specific products offered on the platform, where:

- (a) Bidders are divided into categories of purchase quantities (e.g., quartile ranges of largest 25%, upper middle 50-75%, lower middle 25-50%, and smallest 25%); and
- (b) The allocation into categories is based on each Bidder's purchase quantity of the product or products over a period of at least 12 months that ends no later than 3 months prior to the date at which the list is compiled.

*Explanatory Note: For the avoidance of doubt, the list will not provide the actual purchase quantity, names of sellers purchased from, or bidding data of any individual or group of Bidders in one or more Trading Events.*

#### 4.7.9 Ownership of Data Relating to Trading Events and Trading Platform

Each Participant acknowledges and agrees that all rights, title, and interest in all information and/or data that is generated from, or connected with, any Trading Event or the Trading Platform (whether by NFX directly or through the Trading Manager), including data referred to in Rules 4.5.9 and 4.7.1, are owned by, and proprietary to, NFX.

## 4.8 Intervention and Review

#### 4.8.1 Interventions Prior to or During a Trading Event

If exceptional circumstances arise, either of NFX or the Trading Manager may, in its sole discretion:

- (a) Cancel a Trading Event at any time; or
- (b) Adjourn, postpone, or suspend a Trading Event, or any part of a Trading Event, at any time and from time to time, for such period of time as it determines.

*Explanatory Note: Exceptional circumstances may include a situation where either of NFX or the Trading Manager considers that it is unable to operate the Trading Event in a manner consistent with the NFX Trading Event Rules.*

## 5 APPENDIX A: DEFINITIONS AND CONSTRUCTION

### 5.1 Definitions

In the Rules and the Participation Agreement, unless the context requires otherwise:

**Affiliate** means in relation to any person:

- (a) any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, that person. A person will be deemed to control another person if that person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of that other person, whether by operation of law, by contract, through the ownership of voting securities or otherwise; and
- (b) any director, officer or employee, representative or agent of that person or any other person described in paragraph (a).

**Bid Limit** has the meaning specified in Rule 4.1.2.

**Bidder** means a Participant who is accepted as eligible to use the NFX Trading Platform to purchase one or more Products for sale during a Trading Event and has signed an approved Participation Agreement.

**Bidder Product Restrictions** has the meaning specified in Rule 4.1.3.

**Bidding Website** means the Website notified to Participants that is used to bid in NFX Trading Events.

**Confirmed Bid** means a bid submitted by a Bidder for which the Trading Platform has assigned a bid confirmation identification number.

**Constitution** means the NFX Governance Board constitution, as may be amended from time to time.

**Eligibility** for a Round means the maximum quantity across all Products that a Bidder can bid on that Round.

**EOR** has the meaning specified in Rule 4.3.1.

**EOR Procedure** has the meaning specified in Section 4.5.

**Governance Board** has the meaning specified in Section 3.1.

**Information Website** means the Website which at the date of adoption of these Rules has the address <http://www.naturalfibreexchange.com/>.

**Initial Eligibility** means the Bidder's Eligibility in effect for Round 1 of the Trading Event.

**Minimum Required Bid Price** has the meaning specified in Rule 4.4.1.

**Natural Fibre Exchange** means NFX, the entity that operates the Trading Platform in conjunction with the Trading Manager.

**Participant** means a person (other than NFX) who has entered into a Participation Agreement.

**Participation Agreement** means the agreement between NFX and a party that wishes to participate as a Seller or Bidder on the Trading Platform:

**Price Increment** has the meaning specified in Rule 4.5.7.

**Product** means any one of the products listed on the Information Website as being for sale through the Trading Platform. Unless noted otherwise, Product is synonymous with lot.

**Round** has the meaning specified in Rule 4.3.1.

**Rules** means these rules, including the Appendices, as may be amended from time to time.

**Rulings Panel** means the NFX rulings panel convened, in accordance with the Constitution, to hear a complaint lodged by a Participant or NFX under Rules 3.3.1 or 3.3.2.

**Seller** means a Participant who is accepted as eligible to use the NFX Trading Platform to offer one or more Products for sale during a Trading Event and has signed an approved Participation Agreement.

**Standing High Bid (SHB)** has the meaning specified in Rule 4.5.2.

**Standing High Bidder** has the meaning specified in Rule 4.5.2.

**Starting Price** means the initial Minimum Required Bid Price at the start of the Trading Event for a Product of a Seller.

**Successful Seller** has the meaning specified in Rule 4.6.4.

**Supply Agreement** means in relation to any Product, the standard terms of supply on which a Seller will supply Product to Bidders.

**Supply Quantity** has the meaning specified in Rule 4.2.9.

**Trading Event** means the NFX trading events at which Sellers offer Products for sale by via the Bidding Website in accordance with these Rules.

**Trading Manager** means the Trading Manager appointed under Rule 3.4.5 which at the date of adoption of these Rules is CRA International, Inc.

**Trading Platform** means the trading platform through which NFX Trading Events are held and includes all activities and infrastructure associated with the operation of Trading Events.

**Winning Bidder** has the meaning specified in Rule 4.6.3.

**Winning Price** has the meaning specified in Rule 4.6.2.

**Winning Quantity** has the meaning specified in Rule 2.2.3.

## 5.2 Construction

In the Rules:

The Rules and governance structures are intended to maintain a process that:

- (a) The Guiding Principles are for guidance purposes only and do not form part of the Rules. To the extent that there is any inconsistency between the Rules and the Guiding Principles, the Rules will prevail.
- (b) The headings appear as a matter of convenience and will not affect the construction of the Rules.
- (c) In the absence of an express indication to the contrary, references to Rules, sections, paragraphs, and appendices are to rules, sections, paragraphs, and appendices to the Rules, and reference to a Rule includes any of its sub-Rules or paragraphs.

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- (d) The singular includes the plural and vice versa and words importing any gender include the other genders.
  - (e) The appendices to the Rules will have the same force and effect as if set out in the body of the Rules.
  - (f) The words “written” and “writing” include facsimile communications and any other means of communication resulting in permanent visible reproduction.
  - (g) A reference to “days” means calendar days.
  - (h) The word “person” includes any association of persons whether corporate or unincorporated, and any state or government or department or agency thereof, whether or not having separate legal personality.
  - (i) Unless stated otherwise, references to monetary amounts are to NZD currency and references to times are to New Zealand time.