

discretion of the Exchange. Position Transfers will not contribute to any reported volume, price, or trading range.

4.8.2 Transfer of Positions With Change in Ownership

The Exchange may permit the transfer of positions that involves a change in ownership when the proposed transfer is in connection with, or as a result of, a merger, asset purchase, consolidation, or other similar non-recurring corporate transaction between Participants where one or more of the Participants become the successor in interest to one or more other Participants. Participants must apply for and obtain prior written approval from the Exchange; such approval to be granted at the sole discretion of the Exchange. The transferred trades must be indicated as transfers that will not contribute to any reported volume, price, or trading range.

The Exchange may, with the consent of the Clearing Member(s) involved, permit the transfer of existing trades if, in the opinion and sole discretion of the Exchange, the situation so requires and such transfer is in the best interests of Nodal Exchange.

4.9 Trade Cancellations; Trade Reviews

4.9.1 Trade Cancellation Authority

The Exchange may adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Exchange or by system defects or malfunctions. Notwithstanding any other provision of this Rule 4.9.1, the Exchange may adjust trade prices or cancel any trade if the Exchange determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. Any decision of the Exchange with respect to an adjustment or cancellation subject to this Rule 4.9.1 shall be final.

4.9.2 Review of Trades

The Exchange may review a trade based on its analysis of market conditions or a request for review by a user of the Exchange. A request for review must be made within ~~five-eight~~ minutes of the execution of the trade. The Exchange shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the Exchange will promptly issue an alert to all Participants on the Exchange indicating that the trade is under review. In the case of Nodal Contracts determined by the Exchange to be illiquid, the Exchange may initiate a review up to one hour after the execution of the trade, and has the authority, but not the obligation, to review trades reported more than one hour following execution if it determines that the trade price was significantly out of line with fair value.

In the course of its review of any trade, the Exchange may, but is not obligated to, inform any of the parties to the trade of the identity and contact information of any other party to the trade.

[The Nodal Exchange Electronic Trade Error Policy is posted at www.nodalexchange.com](http://www.nodalexchange.com)

4.10 Futures Expiry, Options and Physical Settlements

4.10.1 Futures Expiry Daily Settlement

- (a) The Exchange will provide the Clearing House with Settlement Prices twice per day for use by the Clearing House in settling trades and positions. The first of these Settlement Prices (the “**Intra-day Settlement Price**”) will be determined at 12:30 pm EPT (absent operational delays), and the second (the “**Daily Settlement Price**”) shall be determined at the close of business each day. Settlement Prices will be calculated primarily based on that day’s Transactions, the Orders on the CLOB, relevant trading in other markets, as well as other available market data. For power Expiries with no direct market information, the Exchange will employ an extrapolation methodology to calculate the Settlement Prices. This extrapolation methodology relies on creating a relationship, through a regression of historical price movements, of each Nodal Contract at a non-trading Contract Node and a Nodal Contract at a traded Contract Node, usually a hub or zone. For natural gas, environmental product and trucking freight Expiries with no direct market information, Settlement Prices will be extrapolated from the most active Expiries based on the prevailing differential between the Expiries.
- (b) The Exchange reserves the right to adjust Daily Settlement Prices as it deems necessary based on current market conditions or otherwise, per the Contract Specifications.
- (c) Without limiting the foregoing, the Exchange reserves the right to subject Block Trades priced more than a certain percentage set by the Exchange above or below the Settlement Price to a review pursuant to Rule 4.9.2 to determine whether the Exchange believes it is appropriate to include the Block Trade in that day’s Intra-day Settlement Price or Daily Settlement Price calculation.

4.10.2 Futures Expiry Final Settlement

- (a) All power Expiries on the Exchange will ultimately settle in cash against prices in the physical markets as determined by the definitional characteristics of the Expiry (Contract Node, Commodity Type, Contract Term, Contract Class and Expiry date)