MTF Rulebook

Contents

1 **Introduction**

1.1 OptAxe is authorised by the Financial Conduct Authority (**FCA**) to operate a multilateral trading facility (**MTF**) under the following Rules, which have been established to facilitate a fair and orderly trading venue for Eligible Instruments in over-the-counter foreign exchange and commodity derivatives by professional Participants. These Rules are available on the OptAxe website and supplement the Participant Agreement entered into by each Participant. Each Participant's access and use of the MTF is conditional of acceptance of the Rules, which shall prevail over any inconsistent terms in the Participant Agreement.

1.2 These Rules are applicable to Participants and their Authorised Users of OptAxe MTF and set out the rules and regulatory framework relating to use of OptAxe MTF. Participants are required to be familiar with the contents of this Rulebook and ensure that their Authorised Users comply with these Rules at all times. This Rulebook aims to promote the standards of integrity, professionalism and ethical behaviour, together with the efficient, fair and orderly operation of OptAxe MTF.

1.3 This version of the Rulebook takes effect on the date notified to Participants in accordance with Rule 18, following the grant of the firm's variation of permission.

2 **Definitions**

The following definitions apply throughout this Rulebook:

Affiliate means in relation to an entity, a person, company, partnership or other entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such entity, where relevant;

Agency Agreement means an Agreement in which the Participant acts and deals as an agent for one or more third parties on OptAxe MTF;

Agency Participant means a Participant that acts and deals as an agent for one or more third parties on OptAxe MTF and does not trade as principal;

Applicable Law means all applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), market rules and / or market conventions any laws, all judgments, orders, instructions or awards of any court or competent authority and applicable to:

(a) OptAxe; or

(b) a Participant;

Authorised User means an individual at a Participant company that has been granted access to OptAxe MTF and has been issued with a User ID;

Block Trading means the posting of BTP Transactions to the OptAxe MTF by a Block Trading Participant on behalf of its BTP Clients, where the Block Trading Participant is not itself a party to the BTP Transaction;

Block Trading Participant means an onboarded Participant that has entered into a Block Trading Participant Agreement with OptAxe and is authorised to access the OptAxe MTF for the purpose of posting BTP Transactions between BTP Clients, where the Block Trading Participant is not itself a party to the BTP Transaction;

Block Trading Participant Agreement means the agreement (as amended, updated or replaced from time to time) between a Block Trading Participant and OptAxe relating to such Block Trading Participant's access to and use of the OptAxe MTF for the purpose of Block Trading;

BTP Client means a customer of a Block Trading Participant that has been approved by OptAxe and on whose behalf the Block Trading Participant posts BTP Transactions to the OptAxe MTF;

BTP Transaction means a transaction between two BTP Clients, the terms of which are pre-arranged outside of the OptAxe MTF, and which is subsequently posted to the OptAxe MTF by a Block Trading Participant on behalf of those BTP Clients. A BTP Transaction shall become a Trade only upon its acceptance onto the OptAxe MTF in accordance with Rule 3.3;

CCP means a central clearing counterparty;

COBS The Conduct of Business Sourcebook within the FCA Rules;

Counterparty List means such list of counterparties that have been accepted by OptAxe from time to time as notified to you;

Data Protection Laws means the following legislation to the extent applicable from time to time:

(a) the Directive on Privacy and Electronic Communications (2002/58/EC);

(b) the EU General Data Protection Regulation (2016/679); and

(c) any other similar national privacy law,

Personal Data, **Personal Data Breach**, **Process** and **Controller** and **Processor** shall have the respective meanings attributed to them in the foregoing legislation the EU General Data Protection Regulation (2016/679);

Direct Electronic Access means an arrangement where a Participant permits a person to use its trading code so that that person can electronically transmit orders relating to a Financial Instrument directly to a Trading Venue and includes arrangements involving the use by that person of the infrastructure of the Participant, or any connecting system provided by such Participant, to transmit orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access).

Disorderly Trading Conditions means situations where OptAxe MTF determines in its sole discretion that the maintenance of fair, orderly and transparent execution of trades is or is likely to be compromised, for example by the following non-exhaustive list:

(a) significant delays and interruptions in the performance of OptAxe MTF;

(b) multiple erroneous orders or Trades on the MTF; or

(c) insufficient system capacity to cope with adverse events (such as a significant increase in volatility),

such conditions will be deemed to be **Disorderly Trading**;

Eligibility Criteria means the eligibility criteria set out at rule 3.2;

Eligible Instrument means a financial Instrument that is eligible for trading on the MTF as described in rule 3.10.1(c);

FCA means Financial Conduct Authority or any successor regulator;

Force Majeure means circumstances or any event beyond the reasonable control of either OptAxe MTF or a Participant that include:

(a) acts of God, floods, fire, storms, earthquakes;

(b) industrial action or strike;

(c) significant equipment or communication failure (excluding failures that constitute a failure to comply with disaster recovery or related Applicable Laws); and

(d) war, hostilities, riots, epidemics, diseases, terrorist acts, insurrection;

Indication of Interest (IOI) means a non-binding expression by a Participant of an interest to transact an instrument (or instruments) on the OptAxe MTF;

Insolvency Event means the occurrence of any of the following circumstances with respect to a Participant:

(a) it is dissolved or declared insolvent or is unable or admits an inability to pay its debts as they fall due or suspends making payments on any of its debts;

(b) any step, application or proceeding has been taken by or against it or in respect of the whole or any part of its undertaking, for a voluntary arrangement or composition or reconstruction or rescheduling of its debts, winding up, bankruptcy, dissolution, administration, receivership or otherwise or any similar proceeding in any jurisdiction;

(c) the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer;

(d) a voluntary or involuntary petition for a bankruptcy order; or

(e) any similar action, application or proceeding in any jurisdiction under Applicable Law to which it is subject; or

(f) it takes any action in furtherance of, indicating its consent to, approval of, or acquiescence in, any of the foregoing events;

LEI means the Legal Entity Identifier, a 20-character code that is based on the ISO 17442 standard, developed by the International Organisation for Standardisation (ISO);

Liquidity Provider means the Participant that provides the price in respect of an Indication of Interest, RFQ or Trade;

Liquidity Taker means the Participant that requests or trades on a price provided by a Liquidity Provider;

MAR means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation), as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (UK MAR);

Market Abuse means insider dealing, unlawful disclosure, market manipulation and attempted manipulation;

Material Amendment is a significant amendment to the rules governing the OptAxe MTF;

Material Disruption means:

(a) any Force Majeure Event;

(b) any extraordinary market conditions;

(c) any attempt, either by Participants or non-Participants, to disrupt, manipulate or commit Market Abuse;

(d) any System Disruption that is deemed significant enough to disrupt the proper operation on OptAxe MTF; and

(e) any failure, suspension or termination of services by a third party that are required for the proper operation of OptAxe MTF;

MiFID II means Directive 2014/65/EU on markets in financial instruments and Regulation (EU) No 600/2014 (MiFIR), in each case as they form part of UK law by virtue of the European Union (Withdrawal) Act 2018 and as amended from time to time, together with the UK Markets in Financial Instruments Regulations 2017 and the rules and technical standards made by the FCA. References to MiFIR are to Regulation (EU) No 600/2014 as it forms part of UK law (UK MiFIR). In relation to a Participant established outside the United Kingdom, references to MiFID II include the corresponding legislation applicable to that Participant in its home jurisdiction;

MiFID Firm means a Participant which is an investment firm authorised under MiFID II;

Non-MiFID Firm means a Participant which is not a MiFID Firm;

OptAxe means OptAxe Limited, a company incorporated in England. Company number 13361894, Registered address: 6 Brook Street, London, England, W1S 1BB;

OptAxe MTF means the multilateral trading facility (as defined in the FCA Handbook Glossary) owned and operated by OptAxe;

Notice of Execution (NOE) means an electronic message confirming the details of the transaction concluded on the OptAxe MTF;

OptAxe MTF Rulebook or **Rulebook** means this rulebook, which may be amended and updated periodically, including any Appendices, as referenced on the OptAxe website;

OptAxe Website is https://www.optaxe.com;

Order means a firm request to trade submitted by a Liquidity Taker in response to a Quote, acceptance of which by the Liquidity Provider concludes a Trade;

OTC means over-the-counter and comprises securities and/or derivatives traded by parties directly with each other rather than through a recognised exchange;

Participant means an entity that has been admitted as a member of the OptAxe MTF pursuant to Rule 3.1;

Participant Agreement means the agreement between a Participant and OptAxe relating to such Participant's use of the MTF, as amended, updated or replaced periodically.

Quote means a price sent by a Liquidity Provider in response to an RFQ;

Position Management Controls means the position monitoring, information and intervention powers operated by OptAxe in respect of commodity derivatives admitted to trading on the MTF in accordance with MAR 10 and Rule 8.4;

Position Reporting means the commodity position reporting obligations of OptAxe as a trading venue under MAR 10, including the provision of daily position reports to the FCA and, where the applicable thresholds in MAR 10 are met, the publication of weekly aggregated position reports;

Relevant Regulator means the FCA or any other regulator that OptAxe, the OptAxe MTF or a Participant may be subject to from time to time;

RFQ means a request for quote, being a request submitted by a Participant to a Liquidity Provider through the OptAxe MTF for a price in respect of an Indication of Interest, as described in Rule 6.3;

RFQ trading model means a trading model of OptAxe MTF using a relationship based RFQ trading protocol as set out in Rule 6.3;

Rule or **Rules** means a rule of the OptAxe MTF Rulebook as amended from time to time;

Services means the services provided for under these Rules which a Participant is entitled to use the OptAxe MTF;

System Disruption means any technical failure or component failure that significantly degrades or disrupts the normal operation of OptAxe MTF;

Trading Day means any day when the OptAxe MTF is open for trading;

Trade means a bilateral transaction executed on the OptAxe MTF pursuant to the functionalities and methods of trading of Eligible Instruments on OptAxe MTF as specified in this Rulebook;

Trade Date means the date on which a Trade is concluded on the OptAxe MTF;

Transaction Reporting Fields means the information required by OptAxe in respect of a Trade to enable OptAxe to submit a complete and accurate transaction report under Article 26 of UK MiFIR, as specified by OptAxe from time to time;

Trade Affirmation means a time stamped electronic mail affirmation, detailing both counterparties and financial details of a Trade;

Trading Group means a subset group of Authorised Users that is created and maintained by the Participant to allow individual Authorised Users access to other Authorised Users' orders, transactions and audit;

User means an individual person who has a unique User ID as a member of a Participant organisation;

UTC means Coordinated Universal Time; and

Written Warning means any warning given by OptAxe to a Participant, via electronic mail.

3 Participation on the MTF

3.1 Admission

3.1.1 An Applicant may apply to be a Participant of the OptAxe MTF at any time and must submit the following to OptAxe:

(a) a signed Participant Agreement as applicable to the category of Participant (as shall be determined by OptAxe);

(b) completed and signed on-boarding documentation as required by OptAxe including, without limitation a valid LEI and a declaration of its status as a MiFID Firm or Non-MiFID Firm together with such supporting documentation as OptAxe may require; and

(c) any such additional information as OptAxe may reasonably require enabling it to assess whether the applicant meets the Eligibility Criteria set out at rule 3.2 below and to consider whether to allow an applicant to become a Participant.

3.1.2 An Applicant must understand and agree to be bound and abide by the OptAxe MTF rules and the Participant Agreement.

3.1.3 An Applicant must meet the technical specifications and standards required by OptAxe from time to time, which shall be made separately available to an Applicant via OptAxe's website http://www.optaxe.com/technicalspecifications).

3.1.4 Upon receipt of an application, OptAxe will judge the application against the Eligibility Criteria and will, in its absolute discretion, approve or reject the application.

3.1.5 OptAxe will notify an Applicant of its decision and, if approved, the date on which its participation shall become effective.

3.1.6 OptAxe may reject an applicant if it does not meet the Eligibility Criteria or if OptAxe considers in its sole discretion that accepting the applicant as a Participant would be inconsistent with the obligation of OptAxe to maintain a fair and orderly market.

3.2 **Eligibility criteria**

The applicant must:

3.2.1 (a) be an EEA regulated investment firm, or be otherwise licenced and supervised by a financial market supervisory authority in its country of domicile, and be capable of being classified as an Eligible Counterparty as defined by the FCA Rules; or

(b) in the case of U.S. persons, qualify as an Eligible Contract Participant ("ECP"), as defined in Commodity Exchange Act ("CEA") section 1a(18);

3.2.2 have the legal and regulatory capacity to undertake trading in the Eligible Instruments on an MTF;

3.2.3 be of sufficient good repute and not subject to any Insolvency Event; and

3.2.4 satisfy OptAxe's compliance criteria (including, but not limited to KYC, anti-money laundering and sanctions checks).

3.3 **Participant capacity and relationships**

3.3.1 Participants trade as principal and for their own account with regards to any Trades undertaken on the OptAxe MTF.

3.3.2 Participants are not permitted to provide their own clients with Direct Electronic Access (DEA).

3.3.3 Agency Participants trade on behalf of their customer accounts who may be existing Participants or who may become Participants in the future, subject to meeting the Eligibility Criteria.

3.3.4 The purpose of a Block Trading Participant's access to the OptAxe MTF is solely to enable the Block Trading Participant to post BTP Transactions to the OptAxe MTF on behalf of its BTP Clients. The Block Trading Participant may only post BTP Transactions between two of the Block Trading Participant's onboarded BTP Clients, and the Block Trading Participant itself may not be a party to such BTP Transactions.

3.3.5 A BTP Transaction posted by a Block Trading Participant shall be concluded only upon its acceptance onto the OptAxe MTF, at which time it shall become a Trade.

Prior to acceptance on the OptAxe MTF, a BTP Transaction is not concluded, does not constitute a Trade and is not binding on the BTP Clients who are party to it.

3.3.6 The Block Trading Participant shall apply OptAxe's eligibility and validation rules on OptAxe's behalf to all BTP Transactions that the Block Trading Participant intends to post to the OptAxe MTF. In the case of Block Trading, acceptance of eligible BTP Transactions shall be performed by the Block Trading Participant on behalf of OptAxe in accordance with these Rules. Any acceptance by the Block Trading Participant of a BTP Transaction in satisfaction of such rules shall be deemed to constitute acceptance by OptAxe. Any eligible BTP Transaction accepted by the Block Trading Participant in accordance with these Rules shall be automatically accepted onto the OptAxe MTF as a Trade upon posting without further review by OptAxe. Notwithstanding the aforesaid, OptAxe retains ultimate authority to accept or reject any BTP Transaction submitted for posting, and may exercise its rights under Rules 7.7 and 8 in respect of any accepted Trade.

3.3.7 The rules and framework concerning the Block Trading Participant's access to and use of the OptAxe MTF are governed by a Block Trading Participant Agreement together with these Rules.

3.3.8 An onboarded BTP Client shall not automatically become a Participant in its own right, and the provisions of these Rules expressed as relating to Participants do not automatically apply to a BTP Client (unless such BTP Client is separately onboarded as a Participant). A BTP Client's trading relationship shall be only with its Block Trading Participant and any other counterparty to a Trade, and such relationship shall be governed by that Block Trading Participant's own rulebook and client agreement. The Block Trading Participant shall be responsible to OptAxe for ensuring that BTP Transactions posted on behalf of its BTP Clients comply with these Rules. Nothing in these Rules prevents a BTP Client from separately becoming a Participant in its own right, subject to their satisfying the eligibility requirements of this Rule 3, the signing of a Participant Agreement, completion of OptAxe’s Participant onboarding and their admission to the OptAxe MTF as a Participant.

3.4 **Participant roles**

3.4.1 A Liquidity Provider is the participant that lists the Indication of Interest on OptAxe MTF for other Participants to trade.

3.4.2 A Liquidity Taker is the participant who trades on an Indication of Interest listed by another Participant on OptAxe MTF.

3.5 **Resignation, termination, and cessation**

3.5.1 A Participant may resign from OptAxe MTF at any time by terminating their Participant Agreement in accordance with terms listed in such agreement.

3.5.2 After resignation, the Rules will continue to apply to a Participant, including during the resignation notice period, until all obligations of doing business on OptAxe MTF have been satisfied and all trades have been either cancelled, settled or withdrawn.

3.5.3 After cessation of the Participant Agreement, the Rules will continue to bind a Participant, including any liability for acts or omissions that occurred before cessation or during the resignation period.

3.6 Suspension and written warnings

3.6.1 A Participant can be suspended, if OptAxe, in its sole discretion, believes any of the following conditions are met:

(a) misrepresentation in any of the agreements including the Participant Agreement;

(b) the Eligibility Criteria, as set out in the Rules and any Addendums, is not met;

(c) the Participant Agreement is terminated;

(d) market abuse, manipulation, listing or requesting quotes without a genuine intention to deal, collusion, suspicious trades, or illegal activity;

(e) OptAxe becomes aware that any Insolvency Event has occurred in relation to the Participant;

(f) In order to ensure the orderly functioning of the MTF, to maintain security, integrity or compliance with Applicable Law, or is required by a Relevant Regulator;

(g) a Participant is subject to enforcement or other proceedings by the FCA or any other competent authority, which could impair, restrict or prevent the Participant's compliance with the Rules;

(h) a Participant is in such financial condition that OptAxe reasonably considers that it would not be prudent to permit it to continue trading on the OptAxe MTF; or

(i) a Participant has failed to pay any dues, fees, assessments, charges or other amounts due to OptAxe within 60 days after the same has become payable.

3.6.2 OptAxe may, on occasion, choose to provide a Written Warning to a Participant before, or at time of, Suspension if it deems that Participant's behaviour is disruptive or following complaints by other Participants.

3.7 Obligations of OptAxe MTF

OptAxe MTF shall:

3.7.1 operate the MTF in accordance with these Rules and Applicable Law, making the MTF available to the Participants;

3.7.2 notify any Participants of any changes to the Rules, Participant Agreement or Applicable Laws that will affect the operation of the MTF; and

3.7.3 notify relevant Participants of any data security breach that affects a Participant within reasonable timescales as applicable under Data Protection Laws.

3.8 Obligations of Participants

Each Participant:

3.8.1 must ensure its continuing compliance with these Rules and all further revisions as issued from time to time;

3.8.2 must ensure that they meet the Admission and Eligibility Criteria as set out in these Rules and are revised from time to time;

3.8.3 must ensure it has established systems and controls to supervise its Authorised Users, to ensure orderly activity and prevent erroneous trades;

3.8.4 shall be responsible for maintaining accurate and up-to-date information with regards to their Authorised Users, including changes or cessation of roles;

3.8.5 is responsible for ensuring its Authorised Users do not engage in Market Abuse or engage in activities that may damage the proper functioning of OptAxe MTF and ensure compliance with Applicable Law;

3.8.6 shall not transfer or provide access to OptAxe MTF to any third party unless authorised by OptAxe and subject to additional conditions as set out at that time by OptAxe;

3.8.7 shall be responsible for making appropriate arrangements for the reporting of any Trade on OptAxe MTF as set out by any Relevant Regulator;

3.8.8 must accept responsibility for all actions undertaken by their Authorised Users on OptAxe MTF including, but not limited to, creating orders, amending orders, trading orders, RFQs and completed trades;

3.8.9 must co-operate with OptAxe and any relevant Regulator in relation to any investigation or information request regarding OptAxe MTF directly or indirectly, except where such Participant is restricted from doing so under Applicable Law;

3.8.10 shall be responsible for compliance with all legal and regulatory responsibilities which may be imposed on the Participant by a Relevant Regulator including (but not limited to) making appropriate arrangements for the reporting of any transactions executed on the OptAxe MTF;

3.8.11 must at all times accept responsibility for all Indications of Interest or RFQs it submits, responses to RFQs it provides, Orders it places, Trades it posts and all other actions taken by it and its Authorised Users; and

3.8.12 the responsibility for accurately pricing any Instrument is solely with the Participant.

Participants must have adequate internal procedures and controls and be in a position to provide information relating to those arrangements if requested by OptAxe at any time:

3.8.13 participants must have adequate and appropriate order management, execution and settlement arrangements in place at all times;

3.8.14 Participants must maintain sufficient credit lines with their trading counterparties at all times;

3.8.15 Participants must notify OptAxe of any changes to their entity name or contact details as soon as these changes are known;

3.8.16 Participants must advise OptAxe without delay of any Insolvency Event;

3.8.17 Participants must further notify OptAxe, without delay of the commencement of any regulatory proceedings or of any enforcement actions imposed by Relevant Regulator or law enforcement agency against the Participant, with respect to financial services activities, whether publicised or not;

3.8.18 Participants must provide any information, data, records or audit trails requested by OptAxe in connection with an investigation into a breach of these Rules; and

3.8.19 Participants must comply with all technical requirements of the MTF as notified by OptAxe and must not engage in activities or practices that might have a negative consequence on the operations of or integrity of OptAxe or OptAxe MTF.

3.9 **Compliance with the regulatory environment**

3.9.1 Participants must comply with this Rulebook and with all applicable laws, regulations, codes of conduct and market practice to which Participants are bound in relation to their use of OptAxe MTF, including all applicable laws and regulations relating to money laundering, proceeds of crime and any other financial crime legislation.

3.9.2 Where OptAxe is of the view that by continuing to provide access to OptAxe MTF to a Participant it would be at risk of becoming involved in an arrangement which it knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person, it may terminate access to OptAxe MTF, either temporarily or permanently, without prior notice and with immediate effect.

3.9.3 In addition, Participants must not use OptAxe MTF in connection with any activity that is covered under economic sanctions or trade controls restrictions imposed by the United States, United Kingdom or the European Union at any time. This may mean that certain Participants are unable to access OptAxe MTF, or that their use of OptAxe MTF is limited. OptAxe may suspend access to OptAxe MTF, where a sanction or restriction relates to certain countries or Participants across all transaction types. Where a sanction or restriction is limited to certain kinds of transactions, Participants must identify themselves where they may be unable to access the MTF in respect of certain transactions and implement their own controls to prevent such prohibited transactions taking place. Failure to comply with this clause may result in termination from OptAxe MTF without prior notice and with immediate effect.

3.9.4 Any relevant codes of conduct or market practices shall not limit a Participant's obligation to comply with this Rulebook.

3.10 Eligible Instruments and suspension of trading

3.10.1 Eligible instruments

(a) OptAxe shall determine the Eligible Instruments that are available for trading on OptAxe MTF and may, at any time, in its sole discretion, add or delete instruments.

(b) Eligible Instruments comprise over-the-counter foreign exchange derivatives and over-the-counter commodity derivatives, being commodity options (including options on a commodity forward) and commodity forwards (including forwards entered into for the purpose of exchanging the delta of a commodity option), in each case settled physically or in cash and agreed and performed bilaterally between Participants. OptAxe MTF does not admit to trading any instrument that is admitted to trading on a regulated market or traded on any other trading venue, and accordingly does not admit any listed commodity option, option on a commodity future or commodity future.

(c) OptAxe will detail the Eligible Instruments permitted for trading at https://www.optaxe.com/markets/MTF-instruments.

(d) OptAxe may suspend or remove any Eligible Instrument from the list of Eligible Instruments at any time, subject to any restrictions of Applicable Law.

(e) OptAxe shall update any changes to the Eligible Instrument list including suspension, removal and addition of instruments via electronic communication to all Participants.

3.10.2 Suspension of trading

OptAxe shall suspend trading in certain or all Eligible Instruments if instructed to by any relevant Regulator or if OptAxe, in its sole discretion, deems it necessary to the functioning of a fair and orderly market, or to comply with Applicable Law.

3.11 Client money and assets

OptAxe does not offer custodial services and accordingly neither OptAxe nor OptAxe MTF will hold any client money or client assets on behalf of a Participant.

3.12 Rules of Participation

3.12.1 Hours of operation

(a) OptAxe MTF will be open for business from Sunday evening 10 pm UTC until Friday evening 10 pm UTC, representing Monday - Friday, Trading Days.

(b) OptAxe MTF will not be available from Friday evening 10 pm UTC until Sunday evening 10 pm, UTC, representing the weekend, non-trading days.

(c) OptAxe MTF will not be available for one (1) hour between UTC 11 pm and 12 am, nor during any other scheduled maintenance times as determined by OptAxe. These times will be notified to Participants by e-mail at least 24 (twenty-four) hours in advance.

Participants will be notified by e-mail of any unscheduled maintenance.

3.12.2 Trading rules

OptAxe MTF will operate the following rules, which may be amended from time to time:

(a) each Participant is responsible for any Trade it executes on OptAxe MTF;

(b) OptAxe will monitor activity on the MTF and its use by Participants;

(c) OptAxe will respond to any request by a Regulator to provide details of activities of Participants on the MTF, to the extent OptAxe is required by Applicable Laws;

(d) OptAxe can, from time to time, amend these Rules, the latest version of which will be updated and published on the website;

(e) OptAxe may, at its discretion, set minimum and/or maximum sizes, and any incremental sizes, for any Eligible Instrument, and may reject any Indication of Interest, Order or RFQ that is inconsistent with any size set by OptAxe;

(f) OptAxe can reject, suspend or cancel instructions by Participants which OptAxe considers clearly erroneous; and

(g) OptAxe will record data of Participant's usage, RFQs, Hit-ratios, cancellations and amendments, for the purpose of improving the operational functionality of OptAxe MTF.

OptAxe does not operate a Central Limit Order Book (CLOB) with immediately executable streaming prices. All Indications of Interest on the OptAxe MTF require the initiation and finalisation of an RFQ before any Trade is concluded on the OptAxe MTF.

3.13 Visibility of Indications of Interest

Each Liquidity Taker will have access to a different dashboard listing Indications of Interest. On their dashboard, the Liquidity Taker shall only be able to view Indications of Interest from counterparties who are Liquidity Providers with whom they have existing bilateral agreements. Liquidity Providers may select which Indications of Interest are to be displayed to which Liquidity Takers. Liquidity Takers shall not be able to view Indications of Interest placed by other Participants unless those parties have specifically agreed to permit visibility of such Indications of Interest.

3.14 Prevention of Disorderly Trading Conditions

3.14.1 A Participant must not under any circumstance:

(a) engage in Market Abuse or any activity that is deemed as disorderly or disruptive to the fair operation of OptAxe MTF;

(b) create orders that are not intended to trade or does not accurately reflect a true and realistic market price for an Eligible Instrument;

(c) send a price request for an Indication of Interest on the OptAxe MTF in relation to which the Participant does not have a genuine intention to deal;

(d) submit instructions to OptAxe MTF which are fictitious, or execute Trades which are fictitious;

(e) engage in any activity, communication or conduct on the MTF that harms the orderly operation of OptAxe MTF; or

(f) attempt to breach any of these Rules.

3.14.2 OptAxe MTF may, as it considers appropriate, to prevent Disorderly Trading Conditions, or at the request of a Regulator:

(a) temporarily halt or constrain trading via a circuit breaker

(b) centrally pause or cancel orders;

(c) suspend a Participant's access to the MTF;

(d) suspend an Authorised User's access to the MTF; or

(e) cancel or revoke Trades where malfunctions in MTF's systems have occurred.

3.15 Material Disruptions

3.15.1 A Material Disruption of OptAxe MTF refers to a significant interruption or failure of the operations of the MTF that affects the ability of market participants to execute trades. This can include events such as:

(a) natural disasters;

(b) power outages;

(c) system failures; or

(d) other unexpected events that disrupt the normal functioning of the trading venue.

3.15.2 In the event of a Material Disruption, OptAxe will notify the Relevant Regulator.

3.15.3 If OptAxe deems there has been a Material Disruption, or if instructed to by a Relevant Regulator, OptAxe MTF may take steps to restore proper operation of the MTF, including:

(a) suspending all or part of the normal services and operation of the MTF;

(b) suspending or cancelling orders on the MTF; or

(c) cancelling trades executed during the Material Disruption.

3.16 **Non-discriminatory access policy**

3.16.1 OptAxe ensures non-discriminatory access to the technology platform as a core principle of fairness and equality that applies to all users, regardless of their identity, location, or other unique factors. This principle is rooted in the basic tenets of fairness, transparency, and equal opportunity, ensuring that no individual or group is unfairly disadvantaged or privileged. The policy is vital to ensuring that everyone can benefit from the platform's features and services.

For the purposes of this rule 3.16, non-discriminatory access encompasses fairness, equal opportunity, and the absence of barriers based on gender, race, ethnicity, religion, socio-economic status, physical ability, or any other characteristic.

3.16.2 In addition, OptAxe is committed to:

(a) **Access to services**

Ensuring that the platform is accessible to all users equally, without restrictions based on any discriminatory parameters. This includes providing the same quality of service and opportunities to all users.

(b) **Transparency**

This rulebook state the rules, procedures, and order matching mechanism the platform uses to determine access, privileges, and the provision of services. The platform's decision-making processes are transparent, rules-based and apply equally to all users.

(c) **Data privacy**

OptAxe maintains a robust data privacy policy, ensuring users' data is not used in a discriminatory manner. Data collection, storage, use, and disclosure are compliant with applicable laws, GDPR and regulations.

(d) **Inclusivity**

The platform is designed to be inclusive, catering to users with diverse needs. The platform has a Light and Dark mode for aiding visually impaired users. Future updates will provide language options to cater to a diverse linguistic population.

(e) **Redress mechanism**

OptAxe sets out is complaints policy in this Rulebook. This is an effective redress mechanism that users can use to report discrimination or unfair treatment. The complaints mechanism is transparent, easily accessible, and ensure timely and appropriate resolution of complaints. Any complaints can be made to compliance@optaxe.com.

(f) **Continuous monitoring**

The Management Committee regularly monitor and assess the platform's compliance with non-discriminatory access policies. The Compliance Officer will implement measures to correct any detected bias or discrimination.

(g) **Training and awareness**

OptAxe has a regular training schedule for employees which covers the importance of non-discrimination and the appropriate handling of user data. Users can see their rights and the platform's commitment to non-discriminatory access.

(h) **External collaboration**

The external regulatory organisations ensure the platform's practices are aligned with best practices and legal requirements related to non-discrimination. OptAxe's Advisory Board includes Senior Managers from the banking industry that can provide independent advice and guidance on improving practices.

4 Authorised Users

4.1 Authorised User details

Each Participant must provide, maintain, and update a list of its Authorised Users and details of individual access requirements of those Authorised Users on OptAxe MTF.

4.2 User IDs

Each Authorised User will be issued a User ID by OptAxe which is for the sole use of that Authorised User. Participants are responsible for monitoring the use of its User IDs and validating the identity of each of its Authorised Users.

4.3 Training of Authorised Users

OptAxe will provide training to all Authorised Users relevant to their individual permitted access, but each Participant is responsible for ensuring Authorised Users are given access appropriate for their roles.

4.4 Business conducted by Authorised Users

OptAxe will be entitled to rely on, and a Participant will be bound by, any activity, business or instruction which OptAxe reasonably believes in good faith to be from an Authorised User on the OptAxe MTF

5 Security

Participants must determine their own security systems and procedures to be used at its own site; however, as a minimum, Participants should ensure Authorised Users:

5.1 log on using the initial password, then change it to the one they wish to use;

5.2 do not automate the password logon process unless connecting via an application programming interface ("API");

5.3 change their password regularly;

5.4 use only their password and User identifier and not any other Authorised User's password or identifier; and

5.5 do not disclose their password to any other person.

6 Functionality and operating model

6.1 Creation of Indications of Interest

6.1.1 Trading on the OptAxe MTF shall at all times be by electronic means only. Indications of Interest may be uploaded via OptAxe MTF's graphical user interface ("GUI") or, alternatively, by API, directly by Participants that have trading privileges and are deemed to be a Liquidity Provider.

6.1.2 When listing an Indication of Interest, the Liquidity Provider may specify a minimum and a maximum size (by notional amount) for prospective Trades. The maximum size shall be construed to be indicative only, and a Liquidity Taker may nevertheless submit an RFQ for a size greater than the listed maximum. However, an RFQ may not be submitted for a size less than the minimum size specified by the Liquidity Provider at creation.

6.1.3 Authorised Users shall be assigned an individual User ID. The individual User ID shall identify which Indications of Interest a particular Authorised User has uploaded, but other Authorised Users at the same Participant, depending on their agreed access, can amend, pause or cancel that Indication of Interest.

6.1.4 Each Authorised User shall have the ability to set up their unique permissions to determine which products, currencies and tenors are within their agreed product range. These permissions can be amended at any time within OptAxe MTF's GUI.

6.2 Trading Groups

6.2.1 Participants can set up Trading Groups for their Authorised Users. This allows each User within a Trading Group to view, amend, cancel or trade of another Authorised User within their group.

6.2.2 Trading Groups may be set up by Participants and can be amended by Authorised Users on OptAxe MTF's GUI.

6.2.3 Admission of a new user to an existing Trading Group must be accepted by another Authorised User already a member of that Trading Group.

6.3 **Request for quote (RFQ) trading model**

6.3.1 Participants may only submit an RFQ in response to an Indication of Interest listed by another Participant with whom they have pre-existing underlying trading relationships, as defined during onboarding.

6.3.2 A Liquidity Taker submits an RFQ to a Liquidity Provider, who can respond with a Quote during a specified timeframe. If the Liquidity Provider does not pick up the RFQ and return an updated price within the timeframe, the RFQ will cancel. As such, a Liquidity Taker cannot complete a Trade without the Liquidity Provider sending back the existing or updated price.

6.3.3 During this timeframe the Participants may continually update or otherwise withdraw their RFQ and Quote.

6.3.4 An Order is sent by the Liquidity Taker in response to a Quote.

6.3.5 If no timeout or amendment occurs, a Trade is complete once the Liquidity Provider accepts the Order.

6.3.6 A Notice of Execution (NOE) is sent to both Participants, and if requested, third parties such as Prime Brokers or other post-trade service providers.

6.4 **Suspending, amending, or cancelling Indications of Interest**

6.4.1 Once an Indication of Interest is created, any Authorised User from the same Trading Group may suspend, amend, or cancel that Indication of Interest.

6.4.2 If an Indication of Interest is cancelled, it can be viewed in the history section, and, if required, it can be re-established as a live Indication of Interest by an Authorised User from the same Trading Group.

6.5 **Anonymous listing of Indications of Interest**

6.5.1 When a Liquidity Provider creates a new Indication of Interest, they shall determine which of their pre-existing counterparties is able to view and transact in relation to the Indication of Interest, however the Liquidity Taker shall not be able to view which of their counterparties is listing the Indication of Interest.

6.5.2 Once the RFQ process begins, the Liquidity Taker is disclosed to the Liquidity Provider who performs a credit check.

6.6 **Counterparty Lists**

6.6.1 Participant Counterparty Lists are established during the onboarding process and maintained by each Participant based on their pre-existing bilateral trading agreements.

6.6.2 It is the responsibility for Participants to maintain, update and monitor their counterparty lists to accurately reflect their bilateral trading agreements.

6.7 Audit

6.7.1 Participant Liquidity Providers shall have access to an audit of all Indications of Interest that have been created by their Authorised Users for a period of two (2) years. If, on occasion, longer access is required, Participants may request in writing to OptAxe.

6.7.2 Each Participant will have access to an audit of all their completed trades for a period of two (2) years. If, on occasion, longer access is required, Participants can request in writing to OptAxe.

7 Transparency, reporting and market data

7.1 Pre- and post-trade transparency

7.1.1 Pre-trade transparency requirements under MAR 11 apply to a trading venue operator when it operates a continuous order book, quote-driven or periodic auction trading system (in each case, such terms shall have the meaning as defined in MAR 11). OptAxe operates a request-for-quote trading system, together with a facility for the registration of BTP Transactions (Rule 3.3.4), and does not operate a continuous order book, quote-driven or periodic auction trading system. Pre-trade transparency requirements therefore do not apply to the OptAxe MTF, and OptAxe does not rely on a pre-trade transparency waiver in respect of any Eligible Instrument.

7.1.2 Prices displayed on OptAxe MTF before an RFQ is initiated are indicative. Once an RFQ has been initiated, the refreshed price sent to the requesting Participant by the Liquidity Provider is a live and executable price, time-stamped and available to that Participant. Such prices are made available to the requesting Participant as a function of the trading system and do not constitute pre-trade transparency information for the purposes of MAR 11.

7.1.3 All Eligible Instruments admitted to trading on OptAxe MTF are category 2 instruments for the purposes of MAR 11, being derivatives which are not category 1 instruments. A spot transaction in a currency or in an underlying commodity is not a financial instrument and is not an Eligible Instrument. Where such a transaction is agreed between Participants as the hedge accompanying an option, it is not subject to the transparency requirements in MAR 11 and OptAxe does not publish it.

7.1.4 OptAxe defers the publication of the price and volume of each Trade and publishes that information no later than 18:00 (London time) on the second business day following the Trade Date. OptAxe has determined that deferral on this basis is necessary to achieve efficient price formation and the fair evaluation of the Eligible Instruments admitted to trading, having had regard to the factors set out in MAR 11.3.4R(1) to (5).

7.1.5 OptAxe establishes, implements and maintains an internal process for determining the deferral applied under Rule 7.1.4, including its duration and the transparency information to which it applies. That process is reviewed at least annually and on the admission of any new class of Eligible Instrument. OptAxe publishes any change to the deferral applied under Rule 7.1.4 by amendment to this Rulebook in accordance with Rule 18, before the change takes effect.

7.1.6 OptAxe publishes post-trade information in respect of Trades executed on OptAxe MTF directly, in its capacity as the operator of the MTF.

7.1.7 Each Participant or other person receiving post-trade information from OptAxe MTF may redistribute that information only to such extent and in such manner as may be permitted by this Rulebook from time to time.

7.1.8 Where OptAxe is notified that a Competent Authority has suspended post-trade transparency requirements in respect of an Eligible Instrument, OptAxe will not publish information in respect of that Eligible Instrument for so long as the suspension is in effect.

7.2 Trade reporting, disclosure and filing

7.2.1 Subject to Rule 7.2.3, Trade reporting is the responsibility of each Participant under Applicable Law in connection with the Participant's use of the OptAxe MTF. Each Participant acknowledges and agrees, both in their Participant Agreement and on an ongoing basis, that it must satisfy itself that it can and shall comply with any and all Applicable Law relating to post-trade transaction reporting, to the Relevant Regulator, as such rules apply to it. The reporting arrangements for Trades resulting from BTP Transactions are addressed in Rules 7.2.3 and 7.2.4 and in the Block Trading Participant Agreement.

7.2.2 Each Participant is responsible for any filing or disclosure requirements which occur under Applicable Law for use of OptAxe MTF.

7.2.3 Where a Participant, or a BTP Client party to a Trade, is not itself subject to the transaction reporting requirements of Article 26 of UK MiFIR (including where it is established outside the United Kingdom and accesses the OptAxe MTF other than through a branch in the United Kingdom), and the Trade is subject to UK MiFIR, OptAxe is required to ensure that details of the Trade are reported to the FCA in accordance with Article 26(5) of UK MiFIR. OptAxe shall not perform transaction reporting on behalf of any Participant or BTP Client which is itself required to comply with the transaction reporting requirements of Article 26 of UK MiFIR.

7.2.4 A Participant whose Trades are reportable by OptAxe under Rule 7.2.3 must, and, additionally, where the reportable party is a BTP Client, its Block Trading Participant must on its behalf:

(a) provide OptAxe with accurate and complete Transaction Reporting Fields in respect of their Trades, in the format and within the timescale prescribed by Rule 7.2.6 in order that OptAxe may fulfil its obligations under Article 26(5) of UK MiFIR;

(b) have appropriate controls in place to ensure that the required transaction reporting fields are accurately populated; and

(c) report to the MTF immediately if it discovers that one or more transaction reporting fields have been inaccurately or incompletely populated and cooperate with OptAxe to rectify any errors.

7.2.5 A Participant which would otherwise be subject to Rule 7.2.4 and which carries on business from an establishment in the United Kingdom may be exempted from the requirements in Rule 7.2.4 subject to confirmation from the FCA that it is complying with the transaction reporting requirements of Article 26 of UK MiFIR as if it were subject to them, and provided that such Participant immediately notifies OptAxe in advance of any change to such status.

7.2.6 The information to be provided pursuant to Rule 7.2.4 shall be delivered as soon as possible following the execution of the Trade and, in any event before midday on the trading day following the Trade Date.

7.3 Market data

7.3.1 Subject to each Participant's rights in a Participant's own data, OptAxe shall own all rights, title and interest, database rights and trade secret rights in and to all data and other information contained in, displayed on, generated by or derived from OptAxe MTF or Trades entered into in connection with these Rules, including but not limited to Indications of Interest and prices.

7.3.2 Participants and Authorised Users shall not, and shall not cause their affiliates, clients or customers to distribute, sell or retransmit OptAxe MTF data or other information obtained via OptAxe MTF, provided that any such restrictions shall not apply to Participant's own data (and the data of its affiliates, clients or customers), unless with written permission from OptAxe and subject to review by OptAxe, and only pertaining to that individual Participant.

7.3.3 OptAxe may at any time restrict or establish utilisation fees in respect of OptAxe MTF data and / or the format and presentation thereof with respect to Participants, provided that any such fees shall not apply to Participants' use of Participant's own data.

7.3.4 OptAxe may make OptAxe MTF data and other information it may deem appropriate available to Participants and other persons at such times and in such manner (whether through OptAxe MTF, financial information service or otherwise) as OptAxe may consider necessary or advisable from time to time Each Participant or other person receiving any such information through OptAxe MTF may redistribute such information only to such extent and in such manner as may be permitted by OptAxe from time to time.

7.4 Users' audits and logs

7.4.1 OptAxe MTF will keep an accurate log of User Activity for a minimum of five (5) years, including:

(a) Operating System (**OS**) Events. Start-up and shutdown of the system;

(b) OS Audit Records. Log on attempts (successful or unsuccessful);

(c) Application Account Information. Successful and failed application authentication attempts;

(d) Application operations including Indications of Interest, Orders and Trades; and

(e) Profile changes including having trading privileges being added or removed.

7.4.2 Audit trails for their Authorised Users will be available to Participants and Regulators on request for a period of five (5) years.

7.5 Record keeping

7.5.1 OptAxe will maintain records of all Trades for a minimum of five (5) years from the date of the Trade.

7.5.2 OptAxe will synchronise its Business clocks to UTC to ensure the consistent recording of date and time of Trades.

7.6 Execution, trade affirmation and confirmation

7.6.1 Final execution of a Trade is concluded via OptAxe MTF portal, which generates an electronic Trade Affirmation mail to both Participants.

7.6.2 Confirmation of a Trade on OptAxe MTF will occur via a time-stamped electronic mail affirmation, detailing both counterparties and financial details. The Trade Affirmation will be considered as a binding agreement that a Trade has been concluded.

7.6.3 Participants are solely responsible for sending, signing and returning bilateral trade Confirmations.

7.7 Cancellations and amendments

7.7.1 Participants must notify OptAxe as soon as is realistically possible if any details of the Trade Affirmation are incorrect, missing or in dispute, to trade-queries@optaxe.com

7.7.2 Participants must notify OptAxe in the event that a completed trade is subsequently amended or cancelled, in reasonable time, and with details pertaining to any amendments via electronic mail to trade-amendments@optaxe.com

7.7.3 In the event that the notional amount of the trade is amended or upsized on the same Trade Date after the Trade Affirmation is sent, OptAxe will consider the final amount that is agreed upon between Participants as the executed notional for purposes of fee collection.

8 Integrity, monitoring and sanctions

8.1 Global FX Code of Conduct

The Global FX Code (July 2021) is a set of global principles of good practice in the foreign exchange market, developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. https://www.globalfxc.org/docs/fx_global.pdf OptAxe Ltd signed the Statement of Commitment on the Public Register on 22nd January 2024.

8.2 Prevention

If OptAxe deems it necessary for the prevention of Disorderly Trading, or if requested to by a Regulator, OptAxe may:

8.2.1 remove, cancel or suspend all or some Indications of Interest or Orders on OptAxe MTF;

8.2.2 suspend all or some Participants on OptAxe MTF;

8.2.3 request information from Participants around mechanisms, technology and control functions that are used in conjunction with operation of the Participant on OptAxe MTF; or

8.2.4 remove, cancel, or revoke Trades that have occurred in case of malfunction of the MTF or technology and operational failure of the MTF.

8.2.5 limit or reject orders subject to pre-trade checks.

8.3 Market surveillance

8.3.1 OptAxe will monitor activity by Participants and their Authorised Users on or through the OptAxe MTF to check for patterns and/or correlations which may indicate Disorderly Trading Conditions, breaches of the rules or conduct that may be in breach of MAR.

8.3.2 OptAxe surveillance will include:

(a) **Real-time monitoring**

This involves the use of surveillance software that can detect and alert OptAxe to any unusual trading or orders activity in real-time. This can include identifying patterns of orders or trades that may indicate market manipulation or insider trading.

(b) **Order surveillance**

This involves monitoring the orders placed on the trading venue to ensure they comply with the rules and regulations set forth by OptAxe and all regulatory authorities. This can include checking for orders that are placed at prices that are not fair and reasonable, or that are placed with the intent of manipulating the market.

(c) **Post-trade surveillance**

This involves analysing trade data after the trades have been executed to identify patterns of behaviour that may indicate market manipulation or other illicit activities. This can include checking for patterns of trades that are executed at prices that are not fair and reasonable, or that are executed with the intent of manipulating the market.

(d) **Activity surveillance**

This involves monitoring of Users' activity, such as placing or removing orders without a genuine intent to trade, sending RFQs without genuine intent to trade, or any activity that may suggest insider trading or market manipulation.

(e) **Risk management**

This involves the use of risk management systems to identify and mitigate risks associated with trading on the venue, such as identifying and blocking orders that may be associated with manipulative activities.

(f) **Compliance**

This involves ensuring that all trades on OptAxe MTF are compliant with regulatory requirements, such as ensuring that Authorised Users are properly authorised by their Participant firm and that OptAxe and its members are in compliance with all relevant laws and regulations.

8.3.3 OptAxe's market surveillance arrangements under this rule extend to commodity derivatives admitted to trading, and include market abuse typologies relevant to commodities, in particular conduct relating to reference prices, indices and benchmarks and to fixing windows, including the LBMA Gold Price, LBMA Silver Price and LBMA Platinum and Palladium Prices benchmarks.

8.4 **Position management and commodity position reporting**

8.4.1 This rule applies to commodity derivatives admitted to trading on OptAxe MTF. OptAxe operates position management controls in respect of all such commodity derivatives in accordance with MAR 10.

8.4.2 OptAxe may at any time: (a) monitor the open interest positions of a Participant in commodity derivatives admitted to trading; (b) require a Participant to provide information, including all relevant documentation, as to the size and purpose of a position or exposure entered into, the identity of any beneficial or underlying owner, any concert arrangements, and any related assets or liabilities in the underlying market; (c) require a Participant to terminate or reduce a position, on a temporary or permanent basis, and where the Participant does not comply, take such action as OptAxe considers appropriate to effect that termination or reduction unilaterally; and (d) require a Participant to provide liquidity back into the market at an agreed price and volume on a temporary basis, for the purpose of mitigating the effects of a large or dominant position.

8.4.3 A Participant must comply with any requirement imposed on it under Rule 8.4.2 within the time specified by OptAxe, and must provide any information required under that rule in the form and to the standard of completeness and accuracy specified by OptAxe.

8.4.4 A Participant must report to OptAxe, at least daily, the details of its own positions held through commodity derivatives admitted to trading on OptAxe MTF, together with those of its clients and the clients of those clients until the end client is reached, in the form and by the time specified by OptAxe.

8.4.5 A Participant must, on request and within the time specified by OptAxe, provide a complete and accurate breakdown of any related over-the-counter commodity-derivative positions specified in the request.

8.4.6 Where a commodity derivative admitted to trading is or becomes a critical contract, OptAxe sets, publishes and administers a position limit for that contract. A Participant must not hold or control a position in that contract which exceeds the applicable position limit, except to the extent that the position is subject to an exemption granted or recognised in accordance with MAR 10.

8.4.7 Where a position limit applies under Rule 8.4.6, OptAxe sets accountability thresholds below that position limit and makes them accessible to Participants. Exceeding an accountability threshold is not of itself a breach of these Rules, but OptAxe may impose a requirement under Rule 8.4.2 in consequence.

8.4.8 Failure to comply with Rules 8.4.3 to 8.4.6 is a breach of these Rules and may result in disciplinary action under Rule 8.5.

8.5 Sanctions and disciplinary action

8.5.1 OptAxe may take disciplinary action against Participants to preserve orderly trading and integrity on the MTF in circumstances including, but not limited to:

(a) a Participant or Participants engaging in Market Abuse or being party to any suspicious trade;

(b) a Participant or Participants breaching these Rules;

(c) conduct by a Participant that is deemed disruptive to the normal functioning on OptAxe MTF;

(d) conduct by a Participant that is intended to, or results in, the creation of a false or misleading impression of Indications of Interest, Orders or pricing of Instruments on OptAxe MTF; or

(e) Rejection of a completed Trade on OptAxe MTF.

8.5.2 Disciplinary action that OptAxe may undertake includes:

(a) Suspension of an Authorised User or group of Authorised Users at a Participant from OptAxe MTF;

(b) Suspension of a Participant on OptAxe MTF;

(c) Cancellation of all Indications of Interest, Orders and any outstanding instructions on the OptAxe MTF by a Participant;

(d) Written warning or private censure to a Participant; and

(e) Reporting a Participant's conduct on the MTF to any Relevant Regulator.

8.6 Appeals

8.6.1 A Participant may appeal any decision of sanction by OptAxe under rule 8.5, in writing, within 30 (thirty) days of the sanction occurring. A Participant's appeal will be reviewed by a Director at OptAxe, and a written reply will be provided to the Participant no more than 30 (thirty) days after receipt of the appeal. In order for an appeal to be considered, a Participant must supply information relevant to the appeal. All decisions following consideration of the appeal are final and will be communicated to the Participant in writing.

8.6.2 OptAxe shall not be liable for any losses that a Participant suffers as a result of disciplinary action or sanction occurring.

8.7 Investigations

8.7.1 Participants must cooperate with OptAxe and any Relevant Regulator in any regulatory investigation, including facilitating the monitoring of compliance with conduct rules, in an open and honest manner and promptly provide either soft or hard copies of data or records upon request.

8.7.2 OptAxe has a regulatory obligation to report significant Rule breaches, disorderly trading conditions and suspicions of Market Abuse to the FCA and any other Relevant Regulator.

8.7.3 OptAxe will assist any Relevant Regulator in any investigation of Market Abuse or fraudulent conduct as requested. In this respect, OptAxe may disclose any information, data or documents received from any Participant in connection with its use of OptAxe MTF to any Relevant Regulator where these are required in connection with an investigation, inquiry or proceedings by such authority.

8.7.4 Except for where required by Applicable Law, OptAxe will treat all Participant information, data and Personal Data relating to OptAxe MTF as confidential.

8.8 Recaps, clearing and settlement

8.8.1 Following each Trade, OptAxe MTF will provide a summary recap of the details of that Trade to each Participant involved. An on-screen summary recap and an electronic mail recap are the default methods of delivery.

8.8.2 Participants can configure and add recipients to receive these electronic mail recaps, including to their own Operations, Compliance, COOs, or support groups, and also to related Third Party organisations such as their prime brokers.

8.8.3 All Trades are settled bilaterally. Settlement of Trades will take place between the relevant two Participants only and is effected on a bilateral basis, creating legal obligations and rights directly between those Participants. OptAxe shall itself not be a party to any Trade, and OptAxe shall not under any circumstances be liable to any Participant in connection with the actions or omissions of any other Participant party to such Trades.

8.8.4 Each Participant shall promptly notify OptAxe upon becoming aware of a delay or possible inability for the Trade to be settled in accordance with obligations of the bilateral agreement between the Participants.

8.8.5 OptAxe does not hold any responsibility or liability with regards to the settlement of Trades. It is the responsibility for each Participant to abide by the terms of their existing bilateral arrangements and Applicable Law for settlement of all Trades.

8.8.6 OptAxe will assess and monitor Participants' settlement activities on a routine basis and may conduct ad-hoc reviews to ensure they are adhering to the Rules requiring settlement of trades on the MTF.

9 MTF capacity and resilience

OptAxe will immediately notify Participants and report any severe trading interruptions not due to market volatility, and any other material connectivity disruptions, to the FCA, other Relevant Regulators.

10 Data protection

Notwithstanding anything to the contrary in the Participant Agreement, when processing Personal Data provided by Participants in connection with the operation of OptAxe MTF or otherwise pursuant to these Rules, OptAxe shall be a Controller. OptAxe shall comply with its obligations as a data Controller pursuant to Data Protection Laws applicable to it, and shall:

10.1 Implement appropriate technological and organisational security measures to safeguard personal data provided by Participants;

10.2 Notify relevant Participants of any Personal Data Breach affecting the Personal Data that the Participants have provided within the timescales required by the applicable Data Protection Laws; and

10.3 Provide reasonable assistance to Participants in relation to their compliance with applicable Data Protection Laws relating to their use of OptAxe MTF.

11 Conflicts of interest policy information

OptAxe has established a conflicts of interest policy with respect to OptAxe MTF that contains arrangements to prevent actual or potential conflicts of interest, a copy of the policy is available by e-mail upon request. If a conflict of interest arises where the arrangements are considered not sufficient to protect Participants' best interests, OptAxe may, as a last resort, make a disclosure to relevant Participants of the nature of the conflict. The Conflicts of Interest Policy is developed and maintained by OptAxe.

12 Electronic communications

Participants agree that OptAxe may provide relevant information in respect to OptAxe and OptAxe MTF via any electronic means (including, without limitation, via e-mail and websites, including via www.optaxe.com).

13 Complaints

OptAxe MTF will consider and respond to complaints by any Participant relating to the operation of OptAxe MTF or the conduct of another Participant, Agency Participant or Participants. Any complaint should be made in writing to the head of compliance at compliance@optaxe.com

14 Fees

14.1 Fee schedules are published on the OptAxe MTF website and updated from time to time.

14.2 Fees will be calculated, and participants notified for daily reconciliation with invoices prepared on a weekly basis for payment within 30 (thirty) business days, unless otherwise agreed.

14.3 If it is determined that overpayments have been made, unless otherwise agreed, this will be considered a pre-payment for future obligations.

14.4 If it is determined that underpayments have been made, the balance will become due next business day or the original invoice due date, whichever is sooner.

15 Taxation

Participants are solely responsible for payment of any taxes that may arise for Trades that occur on OptAxe MTF

16 Liabilities and indemnification

16.1 Participants will indemnify OptAxe and its Affiliates, and their respective directors, officers, employees and agents from and against any and all losses, liabilities, judgments, suits, actions, proceedings, claims, penalties, damages or costs (including attorneys' fees as incurred) resulting from or arising out of (a) its use or misuse of OptAxe MTF; (b) its use or misuse of the API; or (c) the development, maintenance, use and contents of OptAxe MTF, including but not limited to any infringement of any third party intellectual property rights.

16.2 Where a complainant is an 'eligible complainant' (as defined in the FCA Rules), OptAxe may be subject to the Financial Services Compensation Scheme (the **FSCS**) in the United Kingdom and compensation may be payable. OptAxe generally does not deal with such 'eligible complainants'. Additional details can be found on the FSCS website: https://www.fscs.org.uk

17 Governing law and jurisdiction

These Rules are governed by and shall be interpreted in accordance with the laws of England. Any dispute arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the English Courts.

18 **Rule changes and communication**

18.1 These Rules may be amended or extended by OptAxe at any time. Amendments to the rules shall not be retrospective unless required by the regulator or by law. The procedure for any amendments to these Rules shall be contingent upon whether the amendments are mandatory, minor or major, as defined below.

18.2 **Classification of amendments:**

18.2.1 **Mandatory amendments.** For the purposes of this section, an amendment shall be deemed to be a 'mandatory amendment' where it is essential for it to be made without delay in order to ensure orderly market functioning, continued compliance with OptAxe's FCA MTF recognition requirements or other legal obligations to which OpAxe is subject.

18.2.2 Minor amendments. For the purposes of this section, an amendment shall be deemed to be a 'minor amendment' where OptAxe seeks to introduce it in order to improve or alter the operation or functioning of the OptAxe MTF on a non-urgent basis, and such amendments are expected not to cause a material effect to the availability, use or function of the OptAxe MTF to the Participant. For the avoidance of doubt, amendments which add new functionality to the OptAxe MTF but which do not materially affect its existing functionality shall always be deemed to be minor amendments.

18.2.3 **Major amendments.** For the purposes of this section, an amendment shall be deemed to be a 'major amendment' where OptAxe seeks to introduce it in order to improve or alter the operation or functioning of the OptAxe MTF on a non-urgent basis, and such amendments are expected to cause a material effect to the availability, use or function of the OptAxe MTF for the Participant, or are otherwise likely to cause any material adverse consequences to the Participant.

18.3 **Procedure for implementation of amendments**

18.3.1 **Mandatory amendments.** Mandatory amendments shall be made without advance notice and shall have immediate effect. All mandatory amendments shall be notified to Participants by a Participant Notice on the date that they take effect.

18.3.2 **Minor amendments.** Minor amendments may be made without advance notice. Minor amendments shall be notified to Participants via a Participant Notice, which shall state the effective date of the amendments. Where practicable, OptAxe will use reasonable endeavours to provide thirty (30) days' advance notice of minor changes to Participants ahead of the date on which they shall take effect.

18.3.3 **Major amendments.** Major amendments shall only be made following a consultation with Participants. Where OptAxe proposes to make major amendments, Participants shall be notified of the subject matter, timing and proposed implementation date of major amendments in a Participant Notice, giving not less than three (3) Business Days' advance notice ahead of the opening of a consultation period. The minimum period of consultation will be twenty (20) Business Days during which participants will have the opportunity to provide feedback on the proposed major amendment. Unless otherwise notified by OptAxe, consultation feedback shall be provided by email to the email address specified on the Participant Notice. Following the conclusion of a consultation period, OptAxe shall inform Participants of the outcome of the consultation, the decision as to whether the proposed amendments will take place, and the effective take of any such amendments. OptAxe will not provide less than ten (10) Business Days' notice of the implementation of any major amendment following the end of the consultation period.

19 Document library of supporting information

19.1 OptAxe MTF Fee Schedule

19.2 OptAxe MTF Instrument List