RESET PROTOCOL

Effective: 11 February 2019

RESET's BREXIT IMPLEMENTATION PLANS

RESET's Brexit implementation plan is based on the UK leaving the EU on 29 March 2019 without any transitional arrangement or other equivalence decision (ie a "hard Brexit"). In the event of a hard Brexit, the provider of the RESET Service, BrokerTec Europe Limited, will cease to be able to exercise its MiFID passporting rights to service clients in the EU27.

Accordingly, two structural changes will be made to the way the RESET Service is provided, subject to the required regulatory approvals:

(i)   for any RESET Sessions from 30 March 2019, BrokerTec Europe Limited will cease to provide the RESET Service to any Participants (i) incorporated in the EU and trading from within the EU; or (ii) is a branch in the EU of any entity (whether incorporated in the EU or not) ("**EU Participants**") and instead the RESET Service will be provided to EU Participants by CME Investment Firm B.V. For all other Participants, the RESET Service will continue to be provided by BrokerTec Europe Limited; and

(ii)   the EBS MTF and its RESET Segment on which some Identified Transactions are executed will transition from being operated by BrokerTec Europe Limited to being operated by CME Amsterdam B.V, an entity incorporated in The Netherlands. This transition is expected to occur on 18 March 2018.

RESET has contacted affected customers regarding its Brexit implementation plans with view to finalising any onboarding requirements by 29 March 2019. If you have any queries or have not been contacted but believe you are affected, please contact reset@reset.net.

Subject to receiving the required regulatory approvals, RESET will issue a new amended RESET Protocol incorporating the above structure changes and which will apply to all customers. It is expected that the new RESET Protocol will apply from 18 March 2019.

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1. **Introduction**

1.1. The RESET service is a service designed to mitigate risk by matching positions in derivatives and other financial instruments between institutions who are participants of the service and who are holding opposite risk to each other (the "**RESET Service**"). Transactions are identified by the RESET Service and then arranged or executed between the relevant participants as further described in the Terms and this RESET Protocol. This RESET Protocol details the procedures and requirements applicable to a Participant's use of the RESET Service and its participation in a RESET Session.

1.2. This RESET Protocol supplements and forms part of the Terms in place between the Participant and RESET. In the event of a conflict or inconsistency between the Terms and this RESET Protocol, this RESET Protocol will prevail.

1.3. Unless otherwise defined herein, all capitalised terms used in this RESET Protocol shall have the meaning given to them in the Terms.

2. **Regulatory Information**

2.1. The RESET Service is provided to Participants by BrokerTec Europe Limited. BrokerTec Europe Limited is an entity incorporated in England and Wales and is authorised and regulated by the FCA.

2.2. If you have any questions about the RESET Service please contact: reset@reset.net.

2.3. In providing the RESET Service, unless otherwise set out in this RESET Protocol, BEL only acts as an arranging or executing broker and is not a counterparty to any Identified Transaction.

3. **Participation in a RESET Session**

3.1. The RESET Service is run in regular sessions depending on the product and the currency. The schedule of the RESET Sessions and any changes will be communicated directly to RESET Service customers.

3.2. To participate in a RESET Session, the Participant must provide the Participant Data. RESET will specify the method by which the Participant may submit its Participant Data. The Participant remains solely responsible for verifying the accuracy and completeness of all Participant Data supplied in any RESET Session and it shall have no claim against RESET in respect of such Participant Data howsoever arising. RESET is under no obligation to conduct any investigation as to the completeness or accuracy of any Participant Data.

3.3. For any RESET Session, the Participant will be required to submit its Participant Data and confirm its participation by a specified time ("**Session Cut-Off Time**"). A Participant may only withdraw or cancel its participation in a RESET Session after the Session Cut-Off Time only with the agreement of RESET.

3.4. By submitting its Participant Data and participating in a RESET Session, the Participant (i) without seeking or obtaining any further authority, consent or agreement from the Participant or its representatives, authorises RESET to arrange or execute, as the case may be, all Identified Transactions to which it will be counterparty; (ii) agrees to be bound by every Identified Transaction in that RESET Session; and (iii) shall be legally obliged to settle all of its Identified Transactions in accordance with this RESET Protocol and the Terms. RESET will provide the Participant with details of its Identified Transactions following its participation in a RESET Session, enabling the Participant to settle them.

3.5. The prices of all Identified Transactions shall be determined based on a Curve. The Curve will be made available to Participants at the start of a RESET Session. Any amendments to

the Curve will be communicated to Participants in a RESET Session before any Identified Transactions become legally binding.

4.   Transactions

4.1.   Unless otherwise required by applicable law, any Identified Transactions between Participants may be arranged or executed as follows:

4.1.1. bilaterally between the counterparties to the Identified Transactions;

4.1.2. on the EBS MTF: RESET Segment under the rules of the EBS MTF: RESET Segment; or

4.1.3. on the NEX SEF under the rules of the NEX SEF.

4.2.   Prior to a Participant's participation in a RESET Session, the Participant is required to inform RESET of its preferences with respect to the clearing of any Identified Transactions.

Transactions on the EBS MTF: RESET Segment

4.3.   Where any Identified Transaction is to be executed on the EBS MTF: RESET Segment (each a "**MTF Transaction**"):

4.3.1.   each Participant it authorises BEL to execute the Identified Transactions on the EBS MTF: RESET Segment on its behalf;

4.3.2.   each Participant must be classified as an FCA EC and it shall immediately inform BEL if at any time it ceases to be an FCA EC;

4.3.3.   each counterparty to an MTF Transaction agrees to be bound by the EBS MTF: RESET Segment Rulebook in relation to any MTF Transactions; and

4.3.4.   for any Clearable MTF Transaction, each counterparty agrees that unless and until such Clearable MTF Transaction is accepted for clearing by the relevant clearing house, it shall be responsible for all obligations in respect of that Clearable MTF Transaction. If it is not a clearing member of the clearing house identified pursuant to paragraph 4.2, prior to entering into any Clearable MTF Transaction via the RESET Service, in accordance with the EBS MTF: RESET Segment Rulebook, it must provide to RESET a representation from a clearing member in the form required by the EBS MTF: RESET Segment Rulebook.

Transactions on the NEX SEF

4.4.   Where any Identified Transaction is to be executed on the NEX SEF (each a "**SEF Transaction**"), each Participant:

4.4.1.   authorises BEL to execute the Identified Transactions on the NEX SEF on its behalf;

4.4.2.   must be a CEA ECP and an FCA EC and it shall immediately inform BEL if at any time it ceases to be either a CEA ECP or FCA EC;

4.4.3.   agrees that any SEF Transaction and all orders for such SEF Transaction will be governed by the CEA, the CFTC Regulations and the NEX SEF Rulebook;

4.4.4.   as counterparty to a SEF Transaction (i) consents to the jurisdiction of the NEX SEF; (ii) agrees to keep the required books and records for the minimum term required by the NEX SEF Rulebook; and (iii) agrees that it shall review regularly the "Notices" section of the NEX SEF website;

4.4.5.   agrees to provide BEL with all information reasonably requested by BEL from time to time, including any information required by the NEX SEF (including such as the information set out in Appendix 1 to this RESET Protocol) or any derivatives clearing organization or swap data repository, to maintain the integrity of its

systems or to comply with applicable law or regulation from time to time. The Participant agrees to notify BEL of any updates to that information;

4.4.6. warrants and represents that all such information provided to BEL in support of this RESET Protocol is accurate in all respects as of the date it is provided and is permitted by the individuals to whom it pertains to be disclosed to the NEX SEF;

4.4.7. agrees that BEL and/or the NEX SEF may undertake credit checks on it and/or any guarantor; and

4.4.8. agrees that, for any Clearable SEF Transaction, unless and until such Clearable SEF Transaction is accepted for clearing, it shall be responsible for all obligations in respect of that Clearable SEF Transaction. Prior to entering into any Clearable SEF Transaction via the RESET Service, in accordance with the NEX SEF Rulebook, it must provide to BEL a representation or guarantee from a clearing member in the form required by the NEX SEF.

5.   Definitions

In this Protocol, unless otherwise defined in the Terms, all capitalised terms shall have the following meanings:

"**BEL**" means BrokerTec Europe Limited.

"**CEA**" means the U.S. Commodity Exchange Act, as amended from time to time.

"**CEA ECP**" means an eligible contract participant within the meaning of section 1a of the CEA.

"**CFTC**" means United States Commodity Futures Trading Commission (and/or its successors).

"**CFTC Regulations**" means any rule, regulation, order, directive any interpretation thereof promulgated by the CFTC, as amended.

"**Clearable MTF Transaction**" means any MTF Transaction that is listed for clearing by the EBS MTF: RESET Segment.

"**Clearable SEF Transaction**" means any SEF Transaction that is listed for clearing by the NEX SEF.

"**Curve**" means the price curve determined by RESET for use in any RESET Session.

"**Dodd-Frank Act**" means the U.S Dodd-Frank (Wall Street Reform and Consumer Protection) Act, as amended from time to time.

"**EBS MTF: RESET Segment**" means the RESET Segment of the EBS multilateral trading facility operated by BEL.

"**EBS MTF: RESET Segment Rulebook**" means the rulebook and any appendix of the EBS MTF: RESET Segment, a copy of which can be found at www.nexmarkets.com or such successor website.

"**FCA**" means the Financial Conduct Authority of the United Kingdom (and/or its successors).

"**FCA EC**" means an eligible counterparty as defined by the FCA.

"**Identified Transaction**" means any transaction in products which are identified and arranged or executed between Participants because of their participation in a RESET Session.

"**MTF Transaction**" has the meaning given to it in paragraph 4.3 of this RESET Protocol.

"**NEX SEF**" means the SEF operated by NEX SEF Limited.

"**NEX SEF Rulebook**" means the rules of the NEX SEF, a copy of which can be found at www.nexsef.com or such successor website.

"**Participant Data**" means the data specified by RESET, including information on the Participant's risk positions and any risk criteria which the Participant wishes to be used in identifying any Identified Transactions to be arranged or executed, as the case may be, that is required for the Participant to participate in a RESET Session.

"**RESET**" for the purposes of this RESET Protocol, means BEL.

"**RESET Protocol**" means this document as amended from time to time.

"**RESET Service**" has the meaning given to it in paragraph 1.1 of this RESET Protocol.

"**RESET Session**" means any cycle, run or session of the RESET Service.

"**Session Cut-Off Time**" has the meaning given to it in paragraph 4.4 of this RESET Protocol.

"**SEF**" means a swap execution facility as defined under the Dodd-Frank Act.

"**SEF Transaction**" has the meaning given to it in paragraph 4.4 of this RESET Protocol.

"**Terms**" means the RESET General Terms of Service.

RESET PROTOCOL
PRODUCT SPECIFIC TERMS

Submission requirements, position matching and hedge pricing information

All Identified Transactions will follow the market standard holiday convention as defined by the International Swaps and Derivatives Association ("**ISDA**").

Non Deliverable Forwards (NDF)

The RESET Service will only match long and short positions submitted to it. The total nominal amount of long and short positions generated using a bilateral matching option will be equal.

Forward Rate Agreements and Single Period Swaps (FRA/SPS)

The RESET Service will only match long and short positions submitted to it. The total nominal amount of long and short positions generated using a bilateral matching option will be equal. For hedging currencies, it may be necessary to buy or sell an unequal amount to effectively manage any net delta created when matching notional amounts over varied day counts in the hedging process.

Credit limit notionals are expressed as six-month equivalents and will be multiplied by the relevant factors when converted to calculate alternate tenor exposures.

Basis Swaps

The RESET Service will only match long and short positions submitted to it. The total nominal amount of long and short positions generated using a bilateral matching option will be duration neutral at the durations declared.

In principle, all calculations are based on the longer floating index duration IRS. The duration factors are calculated using standard market practices but because of varying calculation methods within institutions, these may not exactly match a Participant's internal calculations.

Credit limits are expressed as a Trade/No Trade within 3 terms: up to 10y, up to 20y, 20y and longer.

Fees will be applied to a single Identified Transaction according to a standard methodology in a Participant's brokerage agreement with BEL.

Inflation Swaps (INF)

Positions must be submitted in the form of overnight orders. The RESET Service will only match long and short positions submitted to it. The total nominal amount of long and short positions generated using a bilateral matching option will be duration neutral at the durations declared.

Credit limit notionals are expressed as two-year equivalents and will be multiplied by the relevant factors when converted to calculate alternate tenor exposures.

Options

The RESET Service will match long and short strike risk in puts or calls. The RESET Service will match puts with puts or calls with calls unless indicated on a given strike that puts can be matched with calls.

The RESET Service attempts to return a gamma and/or vega neutral package with a delta hedge within a Participant's portfolio of Identified Transactions.

The spot price for the delta hedge is set at the same time as the Curve. The RESET Service does not eliminate a Participant's risk completely but aims to reduce it to within acceptable parameters. As a result, any potential profit and loss impact from any spot moves is significantly reduced. The delta hedge Identified Transaction is shown separately within a Participant's results (such hedge service is provided free of charge and no brokerage will be charged on this Identified Transaction).

Deliverable Foreign Exchange (FXF)

The RESET Service will only match long and short positions submitted to it. The total nominal amount of long and short positions generated using a bilateral matching option will be equal and then subject to a net present value scaling. These scaling factors may be provided or published during a RESET Session.