OSTTRA

OSTTRA SEF LIMITED

Facility Rulebook

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FACILITY RULEBOOK

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DEFINITIONS

Except where the context requires otherwise, the following terms shall have the following meanings when used in the Rules. Use of the singular shall include the plural and vice versa, unless the context requires otherwise.

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

Affiliate means, with respect to any person, any other person who controls, is controlled by or is under common control with such person.

Affirm means the process by which the counterparties to a Cleared Contract verify that they agree on the details of the transaction after execution on the Facility but prior to submission to the relevant DCO. Subject to Rule 318, such verification may be done by any means acceptable to the counterparties, including the use of an Affirmation Hub, and "**Affirmations**" shall be construed accordingly.

Affirmation Hub means a third-party service designated by OSTTRA SEF to route Cleared Contracts to DCOs and which may provide Participants with the opportunity to Affirm the Cleared Contracts.

Answer shall have the meaning set forth in Rule 504.

Applicable Law means, with respect to any person, any statute, law, regulation, rule or ordinance of any Competent Authority applicable to such person, including but not limited to the FCA's rules, any provisions of UK law including any provisions of EU law retained in UK law, the Act and Commission Regulations.

ASX means ASX Clear (Futures) Pty Limited.

Authorised Trader means an individual designated as such by, and acting on behalf of, a Trading Privilege Holder or an Authorised Trading Firm to enter Bids/Offers, submit Pre-Arranged Crosses access a Trading Platform and execute transactions in Contracts.

Authorised Trading Firm means an entity designated as such by a Trading Privilege Holder, including an Intermediary, to enter Bids/Offers, and submit Pre-Arranged Crosses access a Trading Platform in the name of the Trading Privilege Holder.

BASIC shall have the meaning set forth in Rule 205(g).

Bid/Offer means a bid or offer entered into a Trading Platform operated by OSTTRA SEF.

Board means the Board of Directors of OSTTRA SEF.

Block Trade has the meaning given to it under Part 43 of the Commission Regulations.

Breakage Agreement means an agreement or any other arrangement between the parties that provides for the assessment of liability or payment of damages between the parties to a Cleared Contract in the event that the Cleared Contract is rejected from clearing.

Bulk Risk Mitigation Trading Privilege Holder means a Trading Privilege Holder that acts as an Intermediary for arranging Pre-Arranged Crosses for other Participants as a bulk risk mitigation service.
Business Day means any day on which a Contract is available for trading on the Facility.

Chairman of the Board means the chairman of the Board.

Chief Compliance Officer or **CCO** means the chief compliance officer of OSTTRA SEF, or one duly authorised to act with the authority of such officer.

Chief Executive Officer means the chief executive officer of OSTTRA SEF, or one duly authorised to act with the authority of such officer.

Class means, with respect to any Swap, a Contract covering the same Underlying Interest.

Cleared Contract means any swap that is intended to be cleared.

Clearing Firm means a clearing member of a DCO that is authorised pursuant to the rules of such DCO to clear transactions in any or all Contracts.

Clearing Firm Representation shall have the meaning set forth in Rule 204(f).

CME means Chicago Mercantile Exchange Inc.

Commission or **CFTC** means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

Commission Regulations means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended.

Commodity shall have the same meaning as in the Act.

Commodity Interest shall have the meaning set forth in Commission Regulation 1.3.

Competent Authority means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any self-regulatory association) with jurisdiction over the operations and activities of OSTTRA SEF.

Compliance Function means the Chief Compliance Officer and SMF16 together.

Confirmation shall have the same meaning as in Commission Regulation 45.1.

Confidential Information means all non-public information that is stated to be or that can reasonably expected to be of a confidential or trade secret nature in any form obtained by a Participant from OSTTRA SEF in accessing or using the Systems, including, but not limited to, any processes, or proprietary data, information or documents regarding the Systems, save to the extent that such information: (i) is already in the public domain at the time of disclosure; (ii) enters the public domain other than by a breach of any obligation of confidentiality; (iii) is required to be disclosed by reason of Applicable Law, provided that, where permitted by Applicable Law, prior notice of such disclosure shall be provided to OSTTRA SEF as soon as practicable in order to permit OSTTRA SEF to seek a protective order or take other appropriate action to safeguard the Confidential Information; or (iv) is permitted to be disclosed pursuant to the Rules.

Contract means any Swap listed for trading on the Facility.

CRR means the UK version of Regulation of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013) and amending Regulation (EU) No 648/2012, which is part of UK law by virtue of the EUWA, read together with any CRR rules as defined in section 144A of the Financial Services and Markets Act 2000.

Credit Institution shall have the meaning in Article 4(1)(1) CRR, being "an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account" which is authorised in the United Kingdom.

Customer means any person who uses an FCM or Introducing Broker as agent in connection with trading in any Swap on OSTTRA SEF.

Customer Type Indicator Codes shall have the meaning set forth in Rule 208.

DCO means, with respect to any Swap, a derivatives clearing organisation authorised to clear such Swap.

Delivery Month means, with respect to any Contract, the month in which delivery of an Underlying Interest is to be made pursuant to the terms of such Contract.

Derived Information means Information that has been altered, enhanced, modified or from which derivative information has been created.

Direct Electronic Access has the meaning as defined under the FCA Rules

Director means a member of the Board.

Disorderly Trading Conditions means a situation where the maintenance of fair, orderly and transparent execution of trades is compromised.

DTCC means DTCC Data Repository (U.S.) LLC.

Eligible Counterparty has the meaning given in the FCA Handbook.

Eligible Contract Participant ("ECP") has the meaning given in the Act.

Emergency shall have the meaning set forth in Rule 104.

Erroneously Cleared Transactions shall have the meaning set forth in Rule 315(i).

Error shall have the meaning set forth in Rule 315(h).

Eurex means Eurex Clearing AG

Facility means the venue provided by OSTTRA SEF for the execution of Contracts, as set out in this Facility Rulebook.

Facility Subject Person means any person that has consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules pursuant to Rule 206(a), including indirect participants of TPHAs or of intermediated transactions.

FCA means the UK Financial Conduct Authority, or any successor regulatory body.

Financial Entity has the meaning set forth in the Act.

Futures Commission Merchant or FCM shall have the meaning set forth in the Act.

Governance Policy means the Governance Policy of OSTTRA SEF available on the Facility's website.

Hearing Date shall have the meaning set forth in Rule 505.

Hearing Panel shall have the meaning set forth in Rule 505 and the Governance Policy.

Hearing Panel Chair shall have the meaning set forth in Rule 505.

Hearing Record shall have the meaning set forth in Rule 509.

ID shall have the meaning set forth in Rule 302.

Indemnified Party shall have the meaning set forth in Rule 108(f).

Indemnifying Party shall have the meaning set forth in Rule 108(f).

Information shall have the meaning set forth in Rule 107.

Intellectual Property Rights means all right, title and interest in and to (i) trademarks, service marks, brand names and other indications of origin and the goodwill associated with the foregoing; (ii) inventions, patents, trade secrets, know-how, processes and systems; (iii) copyright and database rights; and (iv) any other intellectual property or similar proprietary rights in any jurisdiction, in each case whether registrable or not.

Intermediary means any person that enters Bids/Offers into a Trading Platform or submits Pre-Arranged Crosses to the Facility as a Trading Privilege Holder or Authorised Trading Firm on behalf of Customers, including without limitation, any futures commission merchant, introducing broker or commodity trading adviser registered with the Commission.

Intermediated Transaction means any transaction on the Facility conducted through an Intermediary.

Investment Firm shall have the meaning in Article 2(1A) MiFIR , being "any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis".

ISDA means the International Swaps and Derivatives Association, Inc.

ISDA Reporting Party Rules means the reporting party rules set forth in the document published by ISDA entitled "Dodd Frank Act – Swap Transaction Reporting Party Requirements", as set forth in Annex 1.

JSCC means Japan Securities Clearing Corporation

Last Trading Day means, with respect to any Swap, the last day on which trading is permitted for such Swap in accordance with the Rules.

LCH. means LCH.SwapClear, Limited.

Legal Entity Identifier or **LEI** shall have the same meaning as in Commission Regulations.

Losses shall have the meaning set forth in Rule 102(a).

Major Swap Participant shall have the same meaning as in the Act and Commission Regulations.

MAR means the retained UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the EUWA..

Market Regulation Advisory Notice or **MRAN** means a notice published or issued by OSTTRA SEF to Participants from time to time. MRANs form part of the Rules.

Market Regulation Staff means the personnel designated by OSTTRA SEF as Compliance Staff or anyone designated by Compliance Staff to perform various compliance functions.

MiFID II means UK regulatory framework implementing Directive 2014/65/EU, primarily through the Financial Services and Markets Act 2000 (Regulated Activities) Order 2000 (SI 2001/544) and Chapter 2 of the FCA's perimeter guidance.

MiFIR means the retained UK version of Regulation (EU) No.600/2014 of European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, which is part of UK law by virtue of the EUWA.

MMA shall have the meaning set forth in Rule 212(b).

MTF means a multilateral trading facility, as defined in the FCA Handbook.

NAL means Commission No-Action Letter.

OSTTRA SEF means OSTTRA SEF Limited (Company Number: 6292563).

OSTTRA SEF Indemnified Party shall have the meaning set forth in Rule 108(f).

NFA means the National Futures Association.

Non-Cleared Contract means a Contract that is not a Cleared Contract.

Notice of Charges shall have the meaning set forth in Rule 503.

Order means an instruction by a Customer to an Intermediary to execute a transaction on behalf of such Customer.

Order Book means a Trading Platform in which all Trading Privilege Holders have the ability to enter, observe and transact on multiple Bids/Offers. OSTTRA SEF is currently not offering an Order Book.

Organisational Requirements CDR means the retained UK version of Commission Delegated Regulation (EU) No. 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

OSTTRA means OSTTRA Group Ltd

Package Transaction means a transaction executed on the Facility or subject to the Rules involving two or more instruments: (i) that is executed between two or more parties that are Participants; (ii) that is priced or quoted as one economic transaction with simultaneous or near simultaneous execution of all components; (iii) for which no component is subject to section 2(h)(8) of the Act; and (iv) where the execution of each component is contingent upon the execution of all other components.

Participant means any Trading Privilege Holder, Authorised Trader or Authorised Trading Firm.

Participant Indemnified Party shall have the meaning set forth in Rule 108(f).

Participation Committee – shall mean a committee set by the OSTTRA SEF Board to review any written requests from Participants. **Permitted Transaction** means any transaction involving a Swap that is not subject to the trade execution requirement in section 2(h)(8) of the Act.

person means any individual, sole proprietorship, corporation, limited liability company, limited liability partnership, partnership, association, estate, trust, governmental agency, unincorporated organisation or any other legal entity.

Physical Emergency shall have the meaning set forth in Rule 104(e).

Position Limit means the maximum position, either net long or net short, in one Series or a combination of various Series of a particular Class that may be held or controlled by one person, or subject to aggregation with such person's position, as prescribed by OSTTRA SEF and/or Commission.

Pre-Arranged Cross means a Permitted Transaction pre-arranged pursuant to Rule 304(b).

Pre-Trade Controls shall have the meaning in Rule 310(c).

Proceeding shall have the meaning set forth in Rule 108(f).

Professional Client has the meaning given in the FCA Handbook.

Proprietary Data and Personal Information means any and all data (whether Bids/Offers, Pre-Arranged Crosses, quotes, Orders, Confirmations or otherwise) and information submitted to the Facility by or through a person with respect to that person, including information that separately discloses business transactions, market positions or trade secrets of a person with respect to that person, but excludes information in a Confirmation that discloses the identity of another person.

Public Director means any person who qualifies as a "public director" within the meaning set forth in the Commission Regulations.

Regulatory Agency means any Competent Authority, including the FCA, the Commission and the SEC, the NFA and any other SRO, and any organisation, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, not including OSTTRA SEF.

Regulatory Oversight Committee means the committee of the Board tasked with oversight of OSTTRA SEF's regulatory responsibilities.

Regulatory Services Provider means an outside organisation which provides regulatory services to OSTTRA SEF pursuant to an agreement.

Rejected Leg shall have the meaning set forth in Rule 315(i).

Rejected Transactions shall have the meaning set forth in Rule 315(i).

Related Parties shall have the meaning set forth in Rule 107.

Request for Quote or **RFQ** means a request by one Participant to at least such minimum number of Participants as may be required by Commission Regulations from time to time for a market quote that shall constitute a Bid/Offer. OSTTRA SEF does not currently offer RFQ functionality.

Required Transaction means any transaction involving a Swap that is subject to the trade execution requirement in section 2(h)(8) of the Act.

Respondent shall have the meaning set forth in Rule 503(a).

Risk-Based Limits means the risk-based limits established by a Clearing Firm in accordance with Commission Regulation 1.73.

Rule or **Rules** means the rules, resolutions, interpretations, statements of policy, decisions, directives and orders of the Facility (including this Rulebook).

SEC means the U.S. Securities and Exchange Commission.

SEF means swap execution facility, as defined in the Act.

Series means all Contracts of the same Class having identical terms.

SMF16 means the person approved by the FCA to perform the SMF16 (Compliance Oversight Function) for OSTTRA SEF, or one duly authorised to act with the authority of the SMF16.

SRO means self-regulatory organisation.

Swap shall have the same meaning as in the Act and Commission Regulations.

Swap Data Repository or **SDR** shall have the same meaning as in the Act.

Swap Dealer shall have the same meaning as in the Act and Commission Regulations.

Systems means the Trading Platforms, including various proprietary and third party software, firmware, hardware, keypads and supporting documentation to which Participants are granted access by OSTTRA SEF.

System Protocol means the terms from time to time in force upon which a Participant may access a specific Trading Platform, including any supplemental written guidelines provided by OSTTRA SEF to the Participant, as amended from time to time. The System Protocols are set forth in confidential Chapter 9 of this Facility Rulebook. In the event of any inconsistency between the provisions of any System Protocol and the Rules, the terms of the System Protocol shall prevail.

Terms Incorporated by Reference shall have the meaning set forth in Rule 312.

Trading Platform means any of the separate electronic central limit order books and other systems administered by or on behalf of OSTTRA SEF for the trading of Contracts pursuant to specific System Protocols for each such system.

Trading Privilege Holder means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 but does not include an Authorised Trading Firm or Authorised Trader.

Trading Privileges means permission from OSTTRA SEF given to any Trading Privilege Holder in accordance with Rule 201 to access the Facility, or to any Authorised Trading Firm or Authorised Trader in accordance with Rule 202 to access the Facility.

Trading Session means, with respect to any Contract, the period of hours on any Business Day during which such Contract is available for trading, as specified in the Rules governing such Contract.

Underlying Interest means the interest which is the subject of a Swap.

Violation means a violation of any of the Rules.

Waiver shall have the meaning set forth in Rule 309(f).

GENERAL

Regulatory Status

United Kingdom and the EEA

OSTTRA SEF Limited (FRN 472944) is regulated by the FCA and is authorised, among other things, to:

· arrange (bring about) deals in investments;

· make arrangements with a view to transactions in investments; and

· operate a MTF (as set in the relevant System Protocol).

United States of America

OSTTRA SEF is registered as a SEF with the Commission.

Compliance Oversight

The Chief Compliance Officer and the SMF16, both appointed by the Board, assist OSTTRA SEF in meeting its regulatory obligations, as set out by the Commission and the FCA respectively.

References in this Facility Rulebook and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the Chief Compliance Officer and, for FCA related considerations, the SMF16. To the extent any of the activities concern both the Commission and FCA, the Chief Compliance Officer and the SMF16 will cooperate to ensure compliance with the respective regulations.

CHAPTER 1

MARKET GOVERNANCE

Rule 101 Board of Directors and Officers

(a) *Management*. The Board manages, operates and sets policies, including the Governance Policy, for OSTTRA SEF and the Facility. The Board has the power to appoint such officers of OSTTRA SEF as it may deem necessary or appropriate from time to time.

(b) *Governance Policy*. The Governance Policy shall be deemed to be part of the Rules, and shall be deemed to be incorporated herein, to the same extent and with the same force and effect as if set forth herein in their entirety.

Rule 102 Limitation of Liability

(a) TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR PRIVATE RIGHTS OF ACTION UNDER SECTION 22(B) OF THE ACT OR IN INSTANCES WHERE A OSTTRA SEF PARTY (AS DEFINED BELOW) HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILFUL DEFAULT OR FRAUD, OSTTRA SEF (INCLUDING ITS RESPECTIVE SUBSIDIARIES AND AFFILIATES) AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS AND LICENSORS (EACH, A "**OSTTRA SEF PARTY**"), SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) IN CONTRACT, TORT, OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM, ARISING FROM:

(1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF OSTTRA SEF OR ANY OSTTRA SEF PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR

(2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF OSTTRA SEF OR ANY OSTTRA SEF PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

(3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY OSTTRA SEF OR ANY OSTTRA SEF PARTY OR ANY OF OSTTRA SEF'S OR OSTTRA SEF PARTY'S SYSTEMS, SERVICES OR FACILITIES; EXCEPT FOR INCORRECT ORDER STATUS; OR

(4) ANY UNAUTHORISED ACCESS TO OR UNAUTHORISED USE OF ANY OF OSTTRA SEF'S OR OSTTRA SEF PARTY'S SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(b) NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) ARE PROVIDED BY OSTTRA SEF OR ANY OSTTRA SEF PARTY, THEIR

RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, OR LICENSORS RELATING TO ANY SYSTEMS OR SERVICES OF OSTTRA SEF OR OSTTRA SEF PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WHICH ARE PROVIDED "AS IS" TO PARTICIPANTS. OSTTRA SEF MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED THAT ANY SYSTEMS OR SERVICES OF OSTTRA SEF (INCLUDING ITS SUBSIDIARIES AND AFFILIATES) OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WILL MEET A PARTICIPANT'S REQUIREMENTS, HAVE UNINTERRUPTED OR ERROR-FREE OPERATION, BE AVAILABLE DURING ANY SPECIFIED BUSINESS HOURS (WHETHER ADVERTISED OR NOT) OR OPERATE IN CONJUNCTION WITH OTHER SOFTWARE.

(c) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF OSTTRA SEF OR ANY OSTTRA SEF PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH OSTTRA SEF OR A OSTTRA SEF PARTY IS A PARTY MUST BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. ANY SUCH DISPUTE MAY ONLY BE LITIGATED SUBJECT TO THE RULES OF THIS RULEBOOK AND WILL BE GOVERNED BY THE LAWS SET OUT IN THIS RULEBOOK.

(d) EXCEPT IN INSTANCES WHERE A OSTTRA SEF PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILLFUL DEFAULT OR FRAUD, IN NO EVENT SHALL THE OSTTRA SEF PARTIES' TOTAL COMBINED AGGREGATE LIABILITY FOR ALL CLAIMS ARISING OUT OF ANY NEGLIGENCE, FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, ORDER STATUS ERRORS OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF OSTTRA SEF'S OR A OSTTRA SEF PARTY'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF OSTTRA SEF OR A OSTTRA SEF PARTY STAFF, EXCEED $50,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; $200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND $500,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR.

(e) A CLAIM AGAINST OSTTRA SEF OR A OSTTRA SEF PARTY ARISING OUT OF ANY FAILURE OR MALFUNCTION SHALL ONLY BE ALLOWED IF SUCH CLAIM IS BROUGHT IN ACCORDANCE WITH THIS RULE.

(f) NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF LIABILITY PURSUANT TO THIS RULE 102 IS LIMITED TO CLAIMS ARISING OUT OF OSTTRA SEF'S AND A OSTTRA SEF PARTY'S OPERATION OF THE FACILITY AND/OR PROVISION OF SERVICES TO OSTTRA SEF.

Rule 103 Confidentiality

(a) OSTTRA SEF shall not, and shall cause its Affiliates not to, use for business or marketing purposes any Proprietary Data or Personal Information it or any of its Affiliates collects or receives, from or on behalf of any person, for the purpose of fulfilling OSTTRA SEF's regulatory obligations, unless the person who provided such data or information provides prior written consent to OSTTRA SEF's use of such data or information for such purposes. In furtherance of Applicable Law, OSTTRA SEF may share such data and information with its Affiliates, the Commission, the FCA, one or more SEFs, SDRs, DCOs or designated contract markets registered with the Commission, and, to the extent permitted by Applicable Law, other Competent Authorities, including those in countries outside the U.S. and UK. OSTTRA SEF may, upon request of a Trading Privilege Holder, provide a list of current Trading Privilege Holders on a confidential basis. The receiving Trading Privilege Holder shall not disclose the contents of the list without the prior consent of OSTTRA SEF. Proprietary Data and Personal Information shall not include aggregated

price and volume information not identified with a specific Participant or Customer, and OSTTRA SEF may use such aggregated information for business and marketing purposes.

(b) No OSTTRA SEF employee shall trade, directly or indirectly, in any:

(1) Contract;

(2) Commodity Interest related to a Contract;

(3) Commodity Interest traded on designated contract markets or SEFs or cleared by DCOs if the employee has access to material, non-public information concerning such Commodity Interest; or

(4) Commodity Interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such Commodity Interest.

(c) No OSTTRA SEF Affiliate, member of the Board or any committee established by the Board or by or pursuant to the Rules of the Facility, or any officer or other employee or consultant of OSTTRA SEF shall, either during or after service with OSTTRA SEF:

(1) trade for such person's own account, or for or on behalf of any other account, in any Contract or Commodity Interest, on the basis of any material information or, non-public information obtained through special access related to the performance of such person's official duties;

(2) absent prior written consent of OSTTRA SEF, use, directly or indirectly, information that is deemed to be non-public information, or disclose non-public information to others, except (i) to others within OSTTRA SEF, OSTTRA SEF's Affiliates or to outside advisers thereof or other service providers for OSTTRA SEF, provided that such advisors and service providers are subject to confidentiality obligations, and that, in each case, such disclosure is necessary for the performance of Facility-related duties by the individual or entity, (ii) if required by a Regulatory Agency, or (iii) if compelled to do so by valid legal process, provided that the individual or entity notifies OSTTRA SEF in advance thereof to the extent permitted; and

(3) enter into any Contract where they have a direct or indirect material interest in the outcome of that Contract, other than obtaining a fee or commission for its execution.

(d) Subject to Rule 103(a), OSTTRA SEF shall not, except as reasonably necessary to operate any Trading Platform, to fulfill its obligations under this Rulebook or to comply with Applicable Law or any request of the Commission or the FCA, without the prior written consent of a Trading Privilege Holder in each instance, (i) use in advertising, publicity, marketing or other promotional materials, the name, trade name, trademark, trade device, service mark or symbol of such Trading Privilege Holder or any of its Affiliates, or (ii) represent that any product or any service provided by OSTTRA SEF has been approved or endorsed by such Trading Privilege Holder or any of its Affiliates.

(e) For purposes of this Rule 103, the terms "**employee**", "**material information**" and "**non-public information**" have the meanings ascribed to them in Commission Regulation § 1.59.

Rule 104 Emergency Action

(a) *Definitions*. As used in this section:

The term "**Emergency**" shall mean any occurrence or circumstance which, in the opinion of OSTTRA SEF, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of, or delivery pursuant to, any Contracts on the Facility, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions; any circumstances which may significantly affect the performance of

Contracts traded on the Facility, including failure of the payment system or the bankruptcy or insolvency of any Participant; any action taken by any Competent Authority, or any other board of trade, swap execution facility, market or facility which may have a direct impact on trading on the Facility; a significant price movement in a Contract or, where relevant its underlying; and any other circumstance which may have a severe, adverse effect upon the functioning of the Facility.

(b) *Emergency action may be taken by the following*:

(1) by the Board in the case of any Emergency;

(2) by any two members of the Board in the case of any Emergency where it is impracticable in the opinion of the Chairman of the Board or in his or her absence, any two members of the Board, to call a meeting of the Board to deal with the Emergency; or

(3) by any committee of OSTTRA SEF pursuant to powers conferred on said committee under the Rules or by the Board.

(c) *Vote Required*. The vote required of the Board or committee authorised to take any Emergency action hereunder shall be:

(1) in the case of action by the Board, the affirmative vote of a majority of the members of the Board present and voting at a meeting at which there is a quorum; or

(2) in the case of action by a committee, the affirmative vote of two or more persons constituting not less than a majority of the members of said committee present and voting at a meeting at which there is a quorum.

The consent in writing to any Emergency action of all members of the Board or of a committee, as applicable, shall be sufficient to take such Emergency action without a meeting. A member of the Board or of a committee shall be deemed present or in attendance at a meeting if such a person participates in the meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

(d) *Action which may be taken*:

(1) In the event of an Emergency, OSTTRA SEF may, subject to Part 40 of the Commission Regulations under the Act, place into immediate effect a Rule which may provide for, or may authorise OSTTRA SEF, or any committee, to undertake actions which, in the opinion of OSTTRA SEF are necessary or appropriate to meet the Emergency, including, but not limited to, such actions as:

(i) extending or shortening the expiration date for trading in Contracts;

(ii) extending the time of delivery under or expiration of Contracts;

(iii) extending, limiting or changing hours of Trading Sessions;

(iv) imposing or modifying price limits;

(v) imposing or modifying Position Limits;

(vi) imposing or modifying intraday market restrictions;

(vii) ordering the liquidation or transfer of open positions in any Contract;

(viii) ordering the establishment of a settlement price;

(ix) suspending trading pursuant to Rule 105 or curtailing trading in any Contract;

(x) removing any one or more Contracts from trading on the facility;

(xi) cancelling any Bid/Offer;

(xii) altering any Contract's settlement terms or conditions prior to execution and adjusting or cancelling any executed transaction pursuant to Rule 315;

(xiii) modifying or suspending any provision of the Rules; and

(xiv) adjusting, winding down or closing the Facility.

(2) In the event of an Emergency when a quorum of the Board is not available, all trading on the Facility may be suspended by an affirmative vote of a majority of the Directors present, or by action of one Director if only one Director is present, for such period of time as in their or his or her judgment is necessary. In the event of an Emergency which prevents normal attendance at a meeting of the Board, when no Director is present, any authorised officer of OSTTRA SEF shall have authority to order suspension of trading on the Facility for such period of time as in his or her judgment is necessary. Any action taken under this paragraph (d) shall be subject to review and modification by the Board.

(3) Whenever any action is taken under this Rule pursuant to which trading is suspended or other changes in procedure are made, all matters relating to notices, deliveries and other obligations may be suspended or deferred in such manner as the Board or committee, as the case may be, may determine.

(4) OSTTRA SEF may be required to take an Emergency action when directed by the FCA or the Commission. If a Contract is traded both on the Facility and on one or more other SEFs, any Emergency action to liquidate or transfer of open positions in any Contract will be made in consultation with the Commission or Commission staff.

(e) *Physical Emergencies*

(1) In the event the physical functions of the Facility or OSTTRA SEF are, or are threatened to be, severely and adversely affected by a physical emergency, such as fire or other casualty, bomb threat, substantial inclement weather, power failure, communication or transportation breakdown, computer malfunction, screen-based Trading Platform break-down, malfunction of plumbing, heating, ventilation and air conditioning systems, or a backlog or delay in clearing or in the processing of data related to clearing Cleared Contracts (a "**Physical Emergency**"), the Chairman of the Board, or in his or her absence the Chief Executive Officer, or in both of their absences any other authorised officer may take any action which, in the opinion of such officer is necessary or appropriate to deal with the Physical Emergency, including, but not limited to, suspending trading in any one or more Contracts, delaying the opening of trading in any one or more Contracts, extending the Last Trading Day and/or the time of trading.

(2) In the event a designated officer has ordered suspension of trading, the Chairman of the Board or the Chief Executive Officer, or in their absence any other authorised officer may order restoration of trading on the Facility, or may remove other restrictions so imposed, if such officer determines that the Physical Emergency has sufficiently abated to permit the physical functions of OSTTRA SEF or the Facility to continue in an orderly manner.

(f) OSTTRA SEF will promptly submit a written report detailing any action taken hereunder to the Commission and the FCA and such written report shall explain the decision-making process, the reasons for the exercise of emergency authority and how any conflicts of interest were addressed. Any

emergency Rule or Rule amendment shall be filed with the Commission in accordance with Part 40 of the Commission Regulations under the Act.

(g) In exercising its authority under this Rule 104, OSTTRA SEF shall, in its reasonable discretion, and where appropriate, permitted by Applicable Law and not precluded by exigent circumstances, consult and coordinate with DCOs, other swap execution facilities, boards of trade, relevant Participants, and other parties in considering what actions to take hereunder.

Rule 105 Suspension of Trading

a. The Board may, in its discretion, by an affirmative vote of a majority of the Directors present at a meeting at which there is a quorum (which, in an Emergency other than a Physical Emergency, may be held without previous notice):

(a) suspend or remove any one or more of the Contracts in accordance with its business needs;

(b) suspend or remove from trading any Contract, immediately on any market event, in relation to:

(1) that Contract; or

(2) an underlying that the Contract references (including but not limited to price volatility, pricing reliability, corporate event or regulatory issue),

b. which would, in the Board's sole view, mean that the Contract may be incosinstent with or could jeopardize orderly trading; and

(c) suspend or remove from trading any one or more Contracts which no longer complies with the Rules unless such suspension or removal would be likely to cause significant damage to the interests of Participants or Customers or the orderly functioning of the market.

a. Any decision made by the Board in accordance with this Rule 105 to suspend or remove from trading any one or more Contracts shall be made public on the Facility's website and shall be communicated to the relevant Competent Authority.

Rule 106 Risk Controls for Trading

The Regulatory Oversight Committee may impose controls to reduce the potential risk of market disruption, including, but not limited to, market restrictions that pause, halt or constrain trading in specified market conditions.

Rule 107 Market Data

(a) Subject to Rule 103, and each Participant's and Customer's rights in its own Proprietary Data and Personal Information, OSTTRA SEF owns all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyrights, database rights, trademarks and trade secrets, or similar proprietary rights in any jurisdiction whether or not registrable) in and to any data, analytics, research or other information (including without limitation Bids/Offers, Pre-Arranged Crosses, the contents of Confirmations, such Confirmations themselves, prices and volumes of transactions) contained in, displayed on, generated by or derived from the Facility and the Trading Platforms (collectively the "**Information**"). OSTTRA SEF shall not decompile or reverse engineer any of a Participant's or Customer's Proprietary Data and Personal Information for the purpose of ascertaining such Participant's or Customer's trading strategies, except to the extent reasonably necessary for OSTTRA SEF's operations, to perform its surveillance and monitoring functions or to otherwise comply with Applicable Law. Subject to each Participant's or Customer's rights in its own Proprietary Data and Personal Information, each Participant

and Customer (i) agrees to keep the Information confidential and cause each of its employees, Affiliates, Authorised Trading Firms, Customers, agents, consultants, independent software vendors and other persons affiliated with any of the foregoing, as applicable (collectively "**Related Parties**"), to keep the Information confidential, and (ii) agrees not to, and shall cause its applicable Related Parties not to, sell, lease, license, transfer, provide or otherwise make available to any third party any form of access to or use of any of the Information.

(b) Subject to paragraph (c) of this Rule 107, each Participant and Customer agrees that it shall not, and shall cause its Related Parties not to, license, sublicense, transfer, redistribute, resell, alter, enhance, make derivative works of, download to computer or reverse engineer all or any part of the Information (other than such Participant's and Customer's Proprietary Data and Personal Information).

(c) Notwithstanding paragraph (b) of this Rule 107, solely (i) for use in connection with a Trading Privilege Holder's own trading activity (and not, for the avoidance of doubt, for use by a Trading Privilege Holder's sales, risk management (except for use by such Trading Privilege Holder's compliance and other risk departments for regulatory purposes), research, wealth management or asset management departments/functions) or (ii) to the extent necessary for a Trading Privilege Holder's information technology department to perform transaction-related support functions for such Trading Privilege Holder, Trading Privilege Holders that pay the required monthly fees, as described in OSTTRA SEF's Trade Execution Fee Card, as amended from time to time, shall be entitled to (x) download Information to a computer, (y) create Derived Information, and/or (z) redistribute Derived Information (and only Derived Information).

(d) OSTTRA SEF shall bear no liability for any Derived Information, and each Trading Privilege Holder shall defend, indemnify and hold harmless each OSTTRA SEF Indemnified Party (as defined in Rule 108) from and against any Losses to which any OSTTRA SEF Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against a OSTTRA SEF Indemnified Party that arises out of or relates to any Derived Information created by or on behalf of such Trading Privilege Holder or any of its Related Parties.

Rule 108 Intellectual Property

(a) The Systems are the exclusive Intellectual Property of OSTTRA SEF or its affiliates or licensors. Participants have no access to the Systems and no rights with respect to the Systems, except as expressly granted by OSTTRA SEF. Subject to any required approvals from any applicable Regulatory Agency, OSTTRA SEF shall have the right to modify at any time a System's functionality, configuration, appearance, content and the Swaps made available for trading via a System.

(b) Upon granting Trading Privileges to a Participant, OSTTRA SEF grants to that Participant a revocable, non-exclusive, non-transferable license to access and use the Systems in accordance with the Rules for the sole purpose of (i) entering into Swaps via the Systems, and (ii) receiving and transmitting information generated by or made available through the Systems from time to time. Such license shall terminate when the Participant's Trading Privileges terminate.

(c) *Intellectual Property Rights*

(1) By becoming a Participant, each Participant acknowledges and agrees that the Intellectual Property Rights in the Systems are a valuable asset of OSTTRA SEF or its affiliates or licensors or their respective successors. Each Participant shall protect and safeguard the Intellectual Property Rights in and to the Systems by using the same degree of care that the Participant generally uses to protect its own Intellectual Property Rights and business assets, but in any event with no less than a reasonable degree of care.

(2) Each Participant shall promptly notify OSTTRA SEF upon becoming aware of any infringement or misappropriation of any Intellectual Property Rights of OSTTRA SEF or its affiliates or licensors. Each Participant shall comply with all reasonable requests made by OSTTRA SEF

(at OSTTRA SEF's reasonable expense) to protect and enforce the Intellectual Property Rights of OSTTRA SEF or its affiliates or licensors in the Systems.

(d) *Restrictions*

(1) Subject to Rule 102, a Participant shall not sell, lease, license, transfer, provide or otherwise make available to any third party (including an affiliate of Participant), any form of access to or use of the System.

(2) A Participant shall not alter, enhance, make derivative works of, download to computer, decompile, disassemble or reverse engineer all or any part of the Systems except solely to the extent (i) expressly required by Applicable Law or permitted by the Rules, or (ii) necessary in direct connection with support functions related to transactions on or subject to the Rules.

(e) Notwithstanding Rule 102, OSTTRA SEF represents and warrants that it owns or is licensed all Intellectual Property Rights in or to the Systems.

(f) *Indemnities*

(1) OSTTRA SEF shall defend, indemnify and hold harmless each Participant and its officers, directors, employees and agents (each a "**Participant Indemnified Party**") from and against all Losses as a result of any third party claim or proceeding of any nature ("**Proceeding**") against a Participant Indemnified Party determining that the Systems, or the use thereof by the Participant Indemnified Party as authorised hereunder, violates any Intellectual Property Rights of any third party provided that such Losses do not result from (i) any Participant Indemnified Party's fraud, gross negligence or willful misconduct; (ii) violation of Applicable Law by the Participant Indemnified Party; or (iii) the Participant's breach of the Rules.

(2) Each Participant shall defend, indemnify and hold harmless OSTTRA SEF and each OSTTRA SEF Party (each a "**OSTTRA SEF Indemnified Party**") from and against any Losses to which any OSTTRA SEF Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against a OSTTRA SEF Indemnified Party that arises out of or relates to any access, use or misuse of the Systems by the Participant or by any person accessing the Systems using the Participant's ID provided that such Losses do not result from: (i) a OSTTRA SEF Indemnified Party's fraud, gross negligence or wilful misconduct; (ii) violation of Applicable Law by the OSTTRA SEF Indemnified Party; or (iii) the OSTTRA SEF Indemnified Party's breach of the Rules.

(3) If a Proceeding is commenced against a party entitled to indemnification under this Rule 108 (the "**Indemnified Party**"), notice shall be given to the party obligated to provide such indemnification (the "**Indemnifying Party**") as soon as reasonably practicable. The Indemnifying Party shall be entitled to take control of the Proceeding and any settlement of it, and the Indemnified Party shall give the Indemnifying Party, at the Indemnifying Party's reasonable cost, all reasonable assistance in relation to the Proceeding.

(4) Notwithstanding anything to the contrary contained in Rule 102 or a System Protocol, no limitation or exclusion of liability shall apply with respect to any direct losses or claims based on confidentiality, or to OSTTRA SEF's intellectual property infringement indemnification obligations set forth in this Rule 108.

(g) *Confidentiality*

Each Participant shall keep confidential all Confidential Information of OSTTRA SEF or OSTTRA SEF's affiliates or licensors, both during the term and after termination of the license granted by this Rule 108. Each Participant may disclose Confidential Information to its professional advisers but otherwise may only disclose Confidential Information to those of its employees and representatives who need to know such Confidential Information for the purposes of exercising or performing the rights and obligations of Participant

under the Rules and have been informed of the confidential nature of the Confidential Information divulged. No Participant will disclose Confidential Information to any third party except as follows: (i) with the consent of OSTTRA SEF; (ii) as necessary to a DCO of which such Participant is a member or in connection with the clearing of a Swap; (iii) subject to appropriate confidentiality requirements no less stringent than the confidentiality provisions hereunder, to any person providing services to such party relating to transactions on or subject to the Rules; or (iv) to OSTTRA SEF's Regulatory Services Provider if one is being utilized.

(h) Each Participant shall maintain commercially available virus checking software to protect itself and the Systems from viruses, notify OSTTRA SEF immediately of any defect in the System or any unauthorised access or change to the System of which the Participant becomes aware and comply with any security measures and procedures for authentication required by OSTTRA SEF from time to time.

CHAPTER 2

TRADING PRIVILEGES

Rule 201 Trading Privilege Holders

(a) *Trading Privileges*

(1) General Privileges. Subject to the requirements and procedures set forth in this Chapter 2, Trading Privileges will be granted on an impartial basis to all applicants from time to time approved by OSTTRA SEF as eligible to be Trading Privilege Holders, subject to any limitations or restrictions from time to time imposed by OSTTRA SEF. Trading Privileges are non-transferable (except under certain limited circumstances which must be approved by OSTTRA SEF), non-assignable and may not be sold or leased. Circumstances under which Trading Privileges may be transferred, subject to OSTTRA SEF approval, include, for example, transfers due to corporate reorganisations. Each Trading Privilege Holder will have the right to access the Facility (including, subject to the applicable System Protocol, any Trading Platform) including the right to:

(i) place Bids/Offers and Pre-Arranged Crosses for itself as principal or as an Intermediary pursuant to Rule 201(a)(2); and

(ii) appoint other persons to act on its behalf as an Authorised Trader or Authorised Trading Firm pursuant to Rule 202.

(2) Approved Capacities. As approved by OSTTRA SEF and where permitted under this Rulebook and by Applicable Law, a Trading Privilege Holder may also act as:

(i) an Intermediary, and in this capacity may place Bids/Offers and Pre-Arranged Crosses on behalf of Customers;

(3) By virtue of obtaining Trading Privileges, a Trading Privilege Holder will not obtain any equity or other interest in OSTTRA SEF or the Facility, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger or consolidation involving OSTTRA SEF, the Facility or otherwise.

(4) In granting Trading Privileges, OSTTRA SEF may impose such restrictions or limitations as it may deem necessary or appropriate, and in accordance with Applicable Law. OSTTRA SEF shall apply such restrictions or limitations to applicants in an impartial, non-discriminatory manner, consistent with Applicable Law. OSTTRA SEF will deny the grant of Trading Privileges where an applicant has failed to meet any requirements for such grant.

(b) *Financial Requirements*

(1) Any person that wishes to have Trading Privileges must have sufficient resources to guarantee the adequate settlement of transactions and must meet the other financial and related reporting requirements set forth in this Rule 201.

(2) Each Trading Privilege Holder must provide a signed written or electronic representation, prior to being granted access to the Facility, that it qualifies as an ECP upon initial application for Trading Privileges.

(3) Each Trading Privilege Holder shall, no less frequently than annually, provide OSTTRA SEF either with (i) its annual financial report that it provides to the Commission or (ii) a written or electronic representation providing that such Trading Privilege Holder has been, and continues to be as of such date, an "eligible contract participant" as defined in the Act.

(4) Each Trading Privilege Holder must notify OSTTRA SEF's Compliance Function immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it.

(5) Unless and until a Trading Privilege Holder is able to demonstrate to OSTTRA SEF that it is in compliance with the minimum financial requirements applicable to it, such Trading Privilege Holder may not engage in any transactions subject to the Rules of the Facility, except for the purpose of closing open positions that were opened on the Facility.

(c) *Fitness Standards*

(1) OSTTRA SEF may deny the grant of Trading Privileges, or may prevent a person from becoming an Intermediary or a Trading Privilege Holder, if such person:

(i) is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules of the Facility or any Regulatory Agency, Rule of any DCO to which the Trading Privilege Holder submits Cleared Contracts for clearing; Commission Regulations and SRO regulations, including those concerning recordkeeping, reporting, financial requirements and trading procedures;

(ii) would bring OSTTRA SEF or the Facility into disrepute; or

(iii) is otherwise not fit and proper to be a Trading Privilege Holder or Intermediary.

(2) OSTTRA SEF may determine not to permit a Trading Privilege Holder or Intermediary to keep its, his or her Trading Privileges or maintain its, his or her association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder or Intermediary:

(i) fails to meet any of the qualification requirements for Trading Privileges or Intermediary status after such Trading Privileges or Intermediary status have been approved;

(ii) fails to comply with any limitation placed by OSTTRA SEF or under Applicable Law on such Trading Privileges or Intermediary status; or

(iii) commits a material Violation.

(3) Any decision made by OSTTRA SEF pursuant to this Rule 201 must be consistent with both the provisions of this Rule and the Act and the requirements of Applicable Law.

(d) *Regulatory status*

Any person applying for Trading Privileges, and on an ongoing basis, must be an Investment Firm or a Credit Institution; or satisfy the following criteria:

(1) be of sufficiently good repute;

(2) have a sufficient level of trading ability, competence and experience;

(3) have adequate organizational arrangements; and

(4) have sufficient resources for the role they are to perform in accordance with Rule 201(b)(1).

(e) OSTTRA SEF may (i) deny the grant of Trading Privileges, (ii) prevent a person from becoming an Intermediary, or (iii) determine not to permit a Trading Privilege Holder or any Intermediary that is not a Trading Privilege Holder to keep its, his or her Trading Privileges or maintain its, his or her

association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder or Intermediary causes or would cause OSTTRA SEF to be in violation of Applicable Law.

(f) *Intermediation*

(1) A Trading Privilege Holder may not act as an Intermediary for any other entity or person, unless the Trading Privilege Holder does so in accordance with Applicable Law.

(2) A Trading Privilege Holder may not transact as an Intermediary for any Customer unless the Trading Privilege Holder has submitted a signed representation to OSTTRA SEF that each of its Customers is an ECP and as an Eligible Counterparty.

(3) A Trading Privilege Holder must periodically verify its Customers' ECP status and pursuant to Rule 210(f) notify OSTTRA SEF of any changes immediately.

(4) A Trading Privilege Holder may appoint an Authorised Trading Firm to act as an Intermediary upon the approval of OSTTRA SEF.

(g) *Intermediated Bulk Risk Mitigation*

A Bulk Risk Mitigation Trading Privilege Holder must:

(1) verify that each Participant or Customer for which it arranges Pre-Arranged Crosses is either a Clearing Firm or has arrangements with a Clearing Firm to clear any Cleared Contract resulting from a Pre-Arranged Cross;

(2) obtain from a non-clearing Participant's or Customer's Clearing Firm the Risk-Based Limits the Clearing Firm has established for the Participant or Customer and provide a process for the Clearing Firm to notify the Bulk Risk Mitigation Trading Privilege Holder of any changes thereto;

(3) conduct a pre-execution credit check of a Pre-Arranged Cross against the Clearing Firm's Risk Based Limits for the relevant Participant or Customer before submitting the Pre-Arranged Cross to the Trading Platform, and

(4) advise the Clearing Firm that the Clearing Firm is (i) subject to the Rules with respect to Cleared Contracts resulting from Pre-Arranged Crosses for its Participants or Customers and (ii) deemed to acknowledge and consent to the Rules by providing any Risk-Based Limits to the Bulk Risk Mitigation Trading Privilege Holder

Rule 202 Authorised Traders and Authorised Trading Firms

(a) Each Trading Privilege Holder may from time to time permit one or more persons to enter Bids/Offers, submit Pre-Arranged Crosses, access a Trading Platform and effect transactions in Contracts on the Facility. Such authority may be granted to one or more Authorised Traders or Authorised Trading Firms.

(1) Authorised Traders.

(i) Each Trading Privilege Holder which is trading for its own account as a principal may permit one or more individuals as Authorised Traders to enter Bids/Offers and Pre-Arranged Crosses on its behalf. In such case, the Trading Privilege Holder shall be principal to any resulting transactions made on its behalf by such Authorised Traders or by one or more Authorised Trading Firms.

(ii) Each Trading Privilege Holder which is an Intermediary trading on behalf of Customers may permit one or more individuals as Authorised Traders to enter Bids/Offers and Pre-Arranged Crosses for such Customers. In such cases, the Trading Privilege Holder has responsibility for all actions and failures to act of such Authorised Traders, but the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised Traders.

(iii) The Trading Privilege Holder shall be responsible to OSTTRA SEF for acting with reasonable care in granting Authorised Trader status.

(2) Authorised Trading Firms.

(i) Each Authorised Trading Firm which is an Intermediary trading on behalf of Customers may permit one or more individuals as Authorised Traders to enter Bids/Offers and Pre-Arranged Crosses for such Customers. In such cases, the Authorised Trading Firm has responsibility for all actions and failures to act of such Authorised Traders, but the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised Traders.

(ii) Each Trading Privilege Holder which is a Customer may designate one or more Authorised Trading Firms to enter Bids/Offers and Pre-Arranged Crosses on its behalf as an Intermediary. In such cases, the Trading Privilege Holder has responsibility for all actions and failures to act of such Authorised Trading Firm and its Authorised Traders.

(iii) The Trading Privilege Holder shall be responsible to OSTTRA SEF for acting with reasonable care in granting Authorised Trading Firm status.

(iv) Each Trading Privilege Holder shall obtain a signed written or electronic representation, prior to being granted access to the Facility, that each of its Authorised Trading Firms qualifies as an ECP and provide such representation to OSTTRA SEF. Additionally, each Trading Privilege Holder shall at least on an annual basis submit a signed written or electronic representation that each of its Authorised Trading Firms continues to qualify as ECP and shall notify OSTTRA SEF if any Authorised Trading Firm no longer qualifies as an ECP.

(b) *OSTTRA SEF Approval*

(1) No person may act as an Intermediary, Authorised Trader or Authorised Trading Firm before being approved to do so by OSTTRA SEF, which OSTTRA SEF will do on an impartial basis.

(2) Each prospective Intermediary, Authorised Trader and Authorised Trading Firm, or the Trading Privilege Holder on their behalf, will, prior to being permitted by OSTTRA SEF to act as an Intermediary, Authorised Trader or Authorised Trading Firm, as the case may be, submit an application in the form required by OSTTRA SEF and will satisfy such requirements as may be prescribed by OSTTRA SEF from time to time.

(3) Each prospective Authorised Trading Firm, or the Trading Privilege Holder on its behalf, must provide a written or electronic representation, prior to being granted access to the Facility, that the Authorised Trading Firm qualifies as (x) an ECP, and (y) a Professional Client or an Eligible Counterparty, and that it has all registrations, licenses and consents required by its constituent documents and Applicable Law to transact in Contracts. The foregoing representation may be provided directly to OSTTRA SEF by the Authorised Trading Firm in a form provided by

OSTTRA SEF or, alternatively, the Trading Privilege Holder may provide OSTTRA SEF evidence satisfactory to OSTTRA SEF that the Authorised Trading Firm has provided such consents, agreements and representations to the Trading Privilege Holder.

(c) *Responsibilities to OSTTRA SEF*

(1) Each Trading Privilege Holder shall notify OSTTRA SEF in writing if its relationship with an Authorised Trader or Authorised Trading Firm has been terminated, and such Trading Privilege Holder may at any time revoke any authorisation granted by it to any Authorised Trader or Authorised Trading Firm by providing written notice of such revocation to OSTTRA SEF.

(2) By permitting any of its Authorised Traders and/or Authorised Trading Firm to access and use the Facility (including any Trading Platform) from any jurisdiction or to act as an Intermediary for trades on behalf of Customers located in any jurisdiction, each Trading Privilege Holder represents and warrants that each such access to or use of the Facility, or action as an Intermediary, does not violate any law applicable to the Trading Privilege Holder, the Authorised Trader, the Authorised Trading Firm or, to such Trading Privilege Holder's knowledge, OSTTRA SEF.

(d) *Fitness Standards*

(1) OSTTRA SEF may prevent a person from becoming an Intermediary, Authorised Trader or Authorised Trading Firm, if such person:

(i) is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules of the Facility or any Regulatory Agency, Rules of any DCO to which the Trading Privilege Holder submits Cleared Contracts for clearing, Commission Regulations and SRO regulations, including those concerning recordkeeping, reporting, financial requirements and trading procedures;

(ii) would bring OSTTRA SEF or the Facility into disrepute; or

(iii) is otherwise not fit and proper and of sufficiently good repute to be an Intermediary, Authorised Trader or Authorised Trading Firm.

(2) OSTTRA SEF may determine not to permit an Authorised Trader or Authorised Trading Firm to maintain its, his or her association with a Trading Privilege Holder or Authorised Trading Firm, as the case may be, if such Authorised Trader or Authorised Trading Firm:

(i) fails to meet any of the qualification requirements for Authorised Trader or Authorised Trading Firm status after such Authorised Trader or Authorised Trading Firm status has been approved;

(ii) fails to comply with any limitation placed by OSTTRA SEF on such Authorised Trader or Authorised Trading Firm status; or

(iii) commits a material Violation.

(3) OSTTRA SEF may prevent a person from becoming an Authorised Trader or Authorised Trading Firm, if they do not have a sufficient level of trading ability and competence or adequate organisational arrangements.

(4) Any decision made by OSTTRA SEF pursuant to this Rule 202 must be consistent with both the provisions of this Rule and the Applicable Law.

(e) *Intermediation*

(1) An Authorised Trading Firm may not act as an Intermediary for any other entity or person, unless the Authorised Trading Firm does so in accordance with Applicable Law.

(2) An Authorised Trading Firm may not transact as an Intermediary for any Customer unless the relevant Trading Privilege Holder has submitted a signed representation to OSTTRA SEF that each of the Authorised Trading Firm's Customers is an ECP and as an Eligible Counterparty.

(f) OSTTRA SEF may (i) prevent a person from becoming an Authorised Trader or Authorised Trading Firm, and (ii) determine not to permit an Authorised Trader or Authorised Trading Firm to maintain its, his or her association with a Trading Privilege Holder or Authorised Trading Firm, as the case may be, if such Authorised Trader or Authorised Trading Firm causes or would cause OSTTRA SEF to be in violation of Applicable Law.

Rule 203 Financial Integrity

(a) Each Trading Privilege Holder, Customer and Authorised Trading Firm must be an ECP and a Professional Client or an Eligible Counterparty (i) prior to obtaining access to the Facility, and (ii) at the time that such person enters into each transaction on the Facility or subject to the Rules.

(b) For Cleared Contracts:

(1) each Trading Privilege Holder or Authorised Trading Firm transacting on the Facility as a principal is required to demonstrate to OSTTRA SEF, with appropriate documentary evidence as required by OSTTRA SEF from time to time, that such Trading Privilege Holder or Authorised Trading Firm is a Clearing Firm or that it has clearing arrangements in place with a Clearing Firm, including having the Clearing Firm Representation required by Rule 204 (f); and

(2) each Trading Privilege Holder and Authorised Trading Firm acting as an Intermediary shall confirm that each of its Customers has clearing arrangements in place with a Clearing Firm and obtain from its Customers any documentary evidence as required by OSTTRA SEF from time to time to that effect, including any Clearing Firm Representation required by Rule 204 (f). In either case, the Trading Privilege Holder shall provide such documentary evidence to OSTTRA SEF.

(c) For Contracts listed on the Facility as bilateral Contracts, each Participant that enters into such Contracts as a principal must undergo such credit checks and provide such credit information as the Facility may require from time to time.

Rule 204 Clearing

(a) All Contracts executed on the Facility that are subject to mandatory clearing under Section 2(h) of the Act must be cleared through a DCO by a Clearing Firm. Any other Contracts executed on the Facility may be cleared at the discretion of the parties to such transaction; provided that such Contracts are able to be cleared through a DCO by a Clearing Firm. After being submitted to and accepted by the relevant DCO, each Cleared Contract will be subject to the rules, policies and procedures of such DCO.

(b) *Pre-Execution Credit Check / Risk Screening.*

(1) In advance of submitting each Bid/Offer or Pre-Arranged Cross to the Facility for any Cleared Contract, each Trading Privilege Holder or Authorised Trading Firm shall identify the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO and:

(i) if acting as principal, shall ensure that it has sufficient credit with such Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits; and

(ii) if acting as an Intermediary, shall confirm that its Customer has sufficient credit with the Customer's Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits.

In the event that there is insufficient credit or the transaction does not satisfy a Clearing Firm's Risk-Based Limits, the Trading Privilege Holder or Authorised Trading Firm may not submit such Bid/Offer or Pre-Arranged Cross to the Facility.

(2) Each Clearing Firm for a Participant or a Customer may notify OSTTRA SEF of the Risk-Based Limits it has established for such Participant or Customer, and such Risk-Based Limits shall become effective upon acknowledgement of receipt by OSTTRA SEF. Any change to such Risk-Based Limits shall become effective only upon acknowledgement of receipt by OSTTRA SEF.

(3) A Clearing Firm for a Participant or Customer that uses the services of a Bulk Risk Mitigation Trading Privilege Holder will notify the Bulk Risk Mitigation Trading Privilege Holder of the Risk-Based Limits it has established for each such Participant or Customer. Such Risk-Based Limits and any changes thereto become effective as prescribed by the Bulk Risk Mitigation Trading Privilege Holder

(4) A Clearing Firm is deemed to accept for clearing upon execution any Cleared Contract that results from a Bid/Offer or Permitted Cross that is determined to be within the Risk-Based Limits pursuant to the pre-execution check perform by OSTTRA SEF or the Bulk Risk Mitigation Trading Privilege Holder, as applicable.

(c) A Clearing Firm that seeks to effect transactions on the Facility for its own account or the account of any Customer must be a Trading Privilege Holder.

(d) OSTTRA SEF may share information with any DCO that would assist such DCO in evaluating and monitoring a Clearing Firm's compliance with these criteria. A Clearing Firm agrees to cooperate with OSTTRA SEF and each relevant DCO in any such monitoring.

(e) Clearing Firms shall clear Cleared Contracts in accordance with all applicable Rules and DCO rules.

(f) *Clearing Firm Representation*

(1) As a condition to clear Cleared Contracts for a Participant or Customer, OSTTRA SEF may require a Clearing Firm to sign documents prescribed by OSTTRA SEF.

(g) A DCO may be given access to the Facility for the purpose of obtaining any information required by the DCO to clear contracts, including, without limitation, real-time data regarding Bids/Offers, Pre-Arranged Crosses and the execution of transactions. OSTTRA SEF may impose such restrictions on a DCO's access that it determines, in its sole discretion, are necessary and appropriate.

(h) *Failure to Clear*

(1) Subject to a Clearing Firm's obligation to accept for clearing all Contracts resulting from Bids/Offers or Pre-Arranged Crosses that satisfy the Risk-Based Limits in effect for a Participant or Customer, any Cleared Contract, including one leg of a Package Transaction, that is rejected for clearing by a Clearing Firm or DCO for any reason, including an error by OSTTRA SEF in permitting a Bid/Offer or Pre-Arranged Cross to be made that did not satisfy the Risk-Based

Limits in effect at the time the Bid/Offer or Pre-Arranged Cross was made, shall be void *ab initio* and will be cancelled by OSTTRA SEF. For the avoidance of doubt, any component leg of a Package Transaction that was accepted for clearing will not be affected by the rejection of another leg of the same Package Transaction.

(2) Any Contract, including any component leg of a Package Transaction, that was executed on the Facility without the intent to be cleared, but later determined by the parties to the transaction to be cleared, will not be void if rejected for clearing by a DCO to which the Contract or component leg of the Package Transaction was submitted.

(3) In the event a Cleared Contract, including one leg of a Package Transaction, is cancelled by OSTTRA SEF pursuant to this Rule 204(h), OSTTRA SEF will report such cancellation to the relevant SDR pursuant to Part 43 of the Commission Regulations.

(4) Any transaction cancelled under this Rule 204(h) (except for transactions rejected by a DCO for credit reasons) may be re-executed pursuant to the procedures set forth in Rule 315(i).

(i) *Submission of Cleared Contracts to DCOs*

(1) OSTTRA SEF shall route each Cleared Contract executed on the Facility and accepted for clearing by a Clearing Firm to the DCO identified pursuant to Rule 208(d) as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution. OSTTRA SEF may do so either by submitting the Cleared Contract directly to the DCO or by routing the Cleared Contract through an Affirmation Hub.

(2) Cleared Contracts that are routed through an Affirmation Hub shall be routed in accordance with the following procedures:

(i) All Cleared Contracts executed as Pre-Arranged Crosses or on the Order Book with the assistance of a OSTTRA SEF customer service representative, must be Affirmed by Participants or Customers, as applicable, as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution; and

(ii) All other Cleared Contracts shall be automatically submitted by the Affirmation Hub to the relevant DCO as soon as technologically practicable after receipt from OSTTRA SEF, without Participants or Customers being provided the opportunity to Affirm.

(3) Failure by a Participant or Customer to Affirm a Cleared Contract routed through an Affirmation Hub within the ten (10) minute time frame required by this Rule 204(i) shall be a Violation of that Participant; provided that:

(i) such failure shall be a Violation only by the Participant(s) or Customer(s), as applicable, that failed to Affirm the Cleared Contract in accordance with this Rule; and

(ii) no such failure shall be a Violation where the failure was substantially the result of, as determined in OSTTRA SEF's discretion, any errors or delays caused by OSTTRA SEF or any customer service representative.

(4) The Compliance Function may, on a periodic basis, review Affirmations by Participants and Customers for compliance with this Rule 204(i). Notwithstanding such reviews, the Compliance Function or any member of the Market Regulation Staff may investigate possible Violations of this Rule 204(i) at any time upon becoming aware of such possible Violation. Investigations of possible Violations of this Rule 204(i) shall be conducted in accordance with 502,

including that the Compliance Function may determine to impose summary fines in accordance with Rule 516. The Compliance Function or a designated member of the Market Regulation Staff shall review each possible Violation of this Rule 204(i) in light of all the facts and circumstances, including whether any errors or delays were caused by OSTTRA SEF or any customer service representative.

(j) *Breakage Agreements Prohibited.* Participants and Customers are prohibited from requiring a Breakage Agreement from any other Participant or Customer as a condition of trading with that other Participant or Customer.

Rule 205 Application for and Grant of Trading Privileges; Access Denial Actions

(a) *Application Requirement*. Each applicant for Trading Privileges will submit an application to OSTTRA SEF in a form and manner prescribed by OSTTRA SEF. Each applicant will promptly update the application materials if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application. OSTTRA SEF will act upon, and approve or disapprove, any such application without unreasonable delay.

(b) *Due Diligence Review*. Prior to granting Trading Privileges, OSTTRA SEF will conduct a due diligence process against the conditions for using the Facility.

(c) *Grant of Trading Privileges*. Upon submission of an application and satisfaction of the requirements and procedures set forth in this Chapter 2, and approval by OSTTRA SEF, a person applying for Trading Privileges will be granted Trading Privileges. If the application process is not completed by the applicant within six months of submission of an application and payment of any applicable fee, the application will be deemed to be withdrawn.

(d) *Denial of Trading Privileges.* If OSTTRA SEF disapproves an application for Trading Privileges, OSTTRA SEF will promptly provide notice of such rejection. Any applicant who has been denied Trading Privileges or Authorised Trader or Authorised Trading Firm status with a Trading Privilege Holder, and any Trading Privilege Holder or Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder who is not permitted to keep its, his or her Trading Privileges or maintain his, her or its status as an Authorised Trader or Authorised Trading Firm may request an appeal of OSTTRA SEF's decision pursuant to the procedures set forth in Rule 205(f). If no request for an appeal is made within seven days after receiving notice of the disapproval of the relevant application or suspension or termination of access to OSTTRA SEF, the disapproval, suspension or termination shall be the final determination of OSTTRA SEF. No determination of OSTTRA SEF to discontinue a person's Trading Privileges or Authorised Trader or Authorised Trading Firm status will take effect until the review procedures hereunder have been exhausted or the time for review has expired.

(e) *Re-application.* Any applicant to become a Trading Privilege Holder who has been denied Trading Privileges pursuant to this Rule 204(a) will not be eligible for re-application during the six months immediately following such denial.

(f) *Appeal of Denial of Trading Privileges or Suspension or Termination of Access*

(1) If OSTTRA SEF, pursuant to this Rule, denies an application for Trading Privileges or association with a Trading Privilege Holder as an Authorised Trader or Authorised Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorised Trader or Authorised Trading Firm, or suspends or revokes a Participant or its Customer's access to the Facility pursuant to Rule 206(c) or (g), then, in any such case, the affected applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, or Participant, as the case may be, within seven days after receiving written notice of such decision, may request in writing that OSTTRA SEF provide the reasons therefor in writing. Within 14 days of receiving any such written request, OSTTRA SEF will provide the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, or Participant, as the case may be, with such reasons in writing. Within 14 days of receiving OSTTRA SEF's written response, the applicant, Trading Privilege

Holder, Authorised Trader, Authorised Trading Firm, or Participant, as the case may be, may request, in writing, that the Participation Committee reconsider OSTTRA SEF's initial decision and may provide any written representations or other information that the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, or Participant as the case may be, believes is relevant to the reconsideration.

(2) Within 28 days of receiving either a written request for reconsideration or written representations or information from the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm or Participant, as the case may be, or a statement from such person that no such representation or information is to be made or supplied, the Participation Committee will either confirm, reverse or modify the initial decision and will promptly notify the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, or Participant, as the case may be, accordingly. The Participation Committee may in its discretion schedule a hearing or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration. Any decision by the Participation Committee pursuant to this subparagraph (2) constitutes the final action of OSTTRA SEF with respect to the matter in question and is not subject to appeal.

(3) Any action that may be taken by the Participation Committee under this Rule 205(f) or (g) may be taken by the Board if no Participation Committee has been established.

(g) *Effective Date of Denial of Trading Privileges or Suspension or Termination of Access*

(1) If OSTTRA SEF makes a final determination to deny an application for Trading Privileges or association with a Trading Privilege Holder as an Authorised Trader or Authorised Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorised Trader or Authorised Trading Firm pursuant to Rule 205(d) or (f), or suspends or revokes a Participant or its Customer's access to OSTTRA SEF pursuant to Rule 206(c) or (g), then the Participation Committee (or Board acting in such capacity) shall provide written notice within thirty (30) days of its determination to the applicant, or Participant as applicable. The written notice must include the information required by Part 9 of the Commission Regulations. Unless otherwise determined by OSTTRA SEF in accordance with Part 9 of the Commission Regulations, the written notice will include:

(i) the name of the applicant, or Participant;

(ii) a statement of the Participation Committee's (or Board's when acting in such capacity) reasons for the denial of Trading Privileges, suspension or revocation of access to OSTTRA SEF, including details regarding the Contracts involved, if any, and a listing of any Rules the Participation Committee determined were Violated and whether the Violation resulted in any financial harm to Customers;

(iii) a statement of the conclusions and findings of the Participation Committee (or Board acting in such capacity) with respect to each Violation, or, in the event of a settlement, a statement specifying the alleged Violations;

(iv) the terms of the denial of Trading Privileges, suspension or revocation of access to OSTTRA SEF;

(v) the date on which the determination was made and the effective date of the determination; and

(vi) a statement informing the applicant, or Participant that the denial of Trading Privileges, suspension or revocation of access to OSTTRA SEF may be appealed to the Commission pursuant to Part 9 of the Commission Regulations.

(2) OSTTRA SEF shall also provide the written notice to the NFA through the NFA's Background Affiliation Status Information Center ("**BASIC**").

(3) Any decision by OSTTRA SEF to deny Trading Privileges or to suspend or revoke access to OSTTRA SEF pursuant to this Rule shall be the final decision of OSTTRA SEF and shall become effective in accordance with the timeline set forth in Rule 513(b).

(4) If OSTTRA SEF denies Trading Privileges or suspends or revokes access to the Facility pursuant to this Rule, it must publicly publish and maintain on its website the information contained in the written notice provided pursuant to Rule 205(g)(1).

Rule 206 Participant and Customer Obligations; Suspension or Termination of Access

(a) *Consent to Facility Rules*. Prior to obtaining access to the Facility and each time a Participant or Customer initiates or executes a transaction on the Facility, directly or through an Intermediary, each Participant or Customer shall be deemed to have expressly consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules. At the time any Clearing Firm provides a Clearing Firm Representation, each such Clearing Firm shall expressly consent to the jurisdiction of the Facility and agree to be bound by and comply with the Rules.

(b) OSTTRA SEF may perform periodic assessments of the compliance by each Participant with these Rules. Where necessary, OSTTRA SEF shall undertake additional assessments of compliance by a Participant.

(c) Each Participant and Customer must comply with these Rules and the provisions of Applicable Law. Each Participant and Customer must also cooperate promptly and fully with OSTTRA SEF, its agents, its Regulatory Services Provider, and/or a Regulatory Agency in any due diligence process, assessment, investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include a duty to provide supplemental verbal or other information if the Participant or Customer learns that a previous response is incomplete or incorrect in any material respect. Additionally, each Trading Privilege Holder must update its email address promptly after any change and update all other material information provided in its application for Trading Privileges within five days after that information has changed. If any Participant or Customer fails to satisfy these obligations, OSTTRA SEF may revoke or suspend the Participant or its Customer's access to the Facility in full or in part, including by revoking or suspending the access to the Facility of a specific Automated Trading System.

(d) Each Participant and Customer consents to allow OSTTRA SEF to provide all information OSTTRA SEF has about the Participant or Customer, including the Participant or its Customer's trading activity, to the Regulatory Services Provider, the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, judicial tribunals and any other service provider to OSTTRA SEF solely in connection with the service provider's performance of services to OSTTRA SEF and subject to the service provider's agreeing to maintain such information as confidential, including that such service provider shall not:

(1) use such information for any purpose other than in connection with providing services to the Facility (including that it may not otherwise use such information for its own business or marketing purposes), unless specifically required in order to fulfill such service provider's regulatory obligations; or

(2) disclose such information to any other person, except (i) to its employees or Affiliates, provided that the employees or Affiliates are subject to confidentiality obligations at least as stringent as those applicable to the service provider, and that, in each case, such disclosure is necessary for the performance of services to the Facility by the service provider, or (ii) if compelled to do so by valid legal or regulatory process, provided that the service provider notifies OSTTRA SEF in advance thereof to the extent permitted.

(e) Each Participant is required to review the "Notices" section of the Facility's website to make itself aware of material changes to these Rules or other notices (including MRANs) that may affect their rights and obligations as a Participant.

(f) Each Trading Privilege Holder must diligently supervise all activities of the Trading Privilege Holder's employees and/or agents, including all Authorised Traders and Authorised Trading Firms relating to transactions effected on the Facility. Any Violation by any employee of a Trading Privilege Holder, including an Authorised Trader or Authorised Trading Firm, shall constitute a Violation by such Trading Privilege Holder.

(g) OSTTRA SEF may revoke or suspend a Participant's access to the Facility in full or in part if the Participant acts as an Intermediary on behalf of a Customer and such Customer maintains a position in any Contract that, when considered in light of the other positions maintained by the Participant through which such Customer accesses the Facility, and any other factors that OSTTRA SEF reasonably deems relevant, OSTTRA SEF reasonably believes could jeopardise the financial safety of such Participant or any of such Participant's Customers. In making this determination, OSTTRA SEF may consider any relevant factors, including, as applicable, (i) the positions maintained by such Participant, such Participant's Authorised Traders, Authorised Trading Firms and Customers, (ii) financial information provided by such Participant; and (iii) in consultation and coordination with the relevant DCOs, the level of margin maintained by such Participant at such Participant's Clearing Firm.

(h) Each Participant must undertake conformance tests within the OSTTRA SEF testing environment to ensure that the basic functioning of the Participant's trading system, algorithm and strategy complies with these Rules prior to the deployment, or a substantial update of:

(1) the access to the Facility; or

(2) the Participant's trading system, trading algorithm or trading strategy.

b. The conformance testing shall verify the following:

(1) the ability of the system or algorithm to interact as expected with the Facility's matching logic and the adequate processing of the data flows from and to the Facility;

(2) the basic functionalities such as submission, modification or cancellation of an order or an indication of interest, static and market data downloads and all business data flows; and

(3) the connectivity, including the cancel on disconnect command, market data feed loss and throttles, and the recovery, including the intra-day resumption of trading and the handling of suspended instruments or non-updated market data.

c. Each Participant shall access the testing environment provided by OSTTRA SEF.

d. OSTTRA SEF shall deliver a report of the results of the conformance testing to the actual or prospective Participant.

(b) Each Participant shall carry out appropriate testing of its algorithms to ensure that its algorithmic trading systems cannot create or contribute to Disorderly Trading Conditions on the Facility and each Participant shall certify that the algorithms that it develops have been tested to avoid contributing to or creating Disorderly Trading Conditions prior to the deployment of or substantial update to a trading

algorithm or trading strategy and explain the means used for that testing. OSTTRA SEF provides a testing environment for the purposes of paragraph (h).

(c) Each Participant shall ensure that its business clocks used to record the time of transactions adhere to the level of accuracy specified by OSTTRA SEF.

(d) Each Participant shall provide information on its organizational requirements and any trading controls to OSTTRA SEF on request.

(e) Each Trading Privilege Holder which is a Swap Dealer or Major Swap Participant and enters into or facilitates a Swap that is subject to mandatory clearing under Section 2(h) of the Act shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Act.

Rule 207 Customers

(f) No Trading Privilege Holder or Authorised Trading Firm shall act as an Intermediary unless the Trading Privilege Holder or Authorised Trading Firm, as applicable, has entered into an agreement with the Customer that provides that the Customer agrees that all Contracts shall be governed by the Rules, the Act and the Commission Regulations and FCA rules, insofar as they are applicable to that Contract, although no such agreement shall be required by these Rules when the Customer of a Trading Privilege Holder is another Trading Privilege Holder.

(g) Where a Customer and Intermediary are both Trading Privilege Holders, the Customer shall provide OSTTRA SEF with such notice of the relationship as OSTTRA SEF may require from time to time.

(h) Except to the extent that OSTTRA SEF sends Confirmations of Contracts directly to the relevant Customer, each such Customer authorises OSTTRA SEF to send Confirmations of Contracts entered into through an Intermediary to the Intermediary and authorises such Intermediary to accept such Confirmations on behalf of the Customer.

Rule 208 Recordkeeping

(a) Each Participant must prepare and keep current all books, ledgers and other similar records required to be kept by it pursuant to Applicable Law and the Rules of the Facility.

(b) Each Participant shall keep records, which shall include but not be limited to front-end audit trail data for order routing systems, including records of all order entries, and order modifications, order cancellations submitted to the Facility and trade executions on the Facility or subject to the Rules of the Facility.

(c) Each Participant must keep all books and records required to be kept by it pursuant to the Rules for a period of five years from the date on which they are first prepared, unless otherwise provided in the Rules or required by Applicable Law. Such books and records must be readily accessible at all times. During such five- year period, all such books and records must, where Applicable Law and the Rules of the Facility requires it, be made available for inspection by, and copies thereof must be delivered to OSTTRA SEF, OSTTRA SEF's Regulatory Services Provider, the Commission, the U.S. Department of Justice, the FCA, any other European Union regulatory agency governing a Participant and the authorised representatives of the foregoing, upon request.

(d) The following information must be provided to OSTTRA SEF by each Participant prior to a Bid/Offer or Pre-Arranged Cross being accepted by the Facility:

- Authorised Trader ID;
- Trading Privilege Holder ID;

- Swap;
- Series, if applicable;
- DCO where Swap is to be cleared;
- Price;
- Quantity;
- Side of the Bid/Offer;
- Customer Type Indicator Code (defined below);
- Trading account and other relevant account information, including Clearing Firm;
- LEI of the Participant placing the Bid/Offer;
- For Intermediated Transactions, the LEI of the Customer;
- Yes/no indication of whether the Participant or Customer is a Swap Dealer for that Swap;
- Yes/no indication of whether the Participant or Customer is a Major Swap Participant;
- Yes/no indication of whether the Participant or Customer is a Financial Entity;
- Yes/no indication of whether the Participant or Customer is a U.S. person as defined by the Commission;
- Yes/no indication of whether the Contract is a Prime Broker Transaction;
- For Cleared Contracts, confirmation of the availability of credit at the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO;
- Any information required by the applicable System Protocol; and
- For purposes of this Rule 208, the "**Customer Type Indicator Codes**" are as follows:

    (i) **CTI 1** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is a natural person.

    (ii) **CTI 2** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is not a natural person.

    (iii) **CTI 3** – Bid/Offer which an individual Trading Privilege Holder or Authorised Trader executes for the proprietary account of another Trading Privilege Holder or for an account which the other Trading Privilege Holder controls or has an ownership or financial interest in.

    (iv) **CTI 4** – Any Bid/Offer not meeting the definition of CTI 1, 2 or 3, including those entered on behalf of Customers.

(e) The Rules regarding the recordkeeping obligations set forth in this Rule 208 shall be promulgated to achieve the purposes and requirements of Applicable Law. While OSTTRA SEF will have

sole discretion, subject to Applicable Law, to determine such Rules, OSTTRA SEF will take into consideration in doing so comparable requirements applicable to Participants.

Rule 209 Communications of OSTTRA SEF with Participants

(a) *Written Notices*

OSTTRA SEF will publish a notice with respect to each addition to, modification of, or clarification of the Rules, or of any action taken to implement any Rule, in a form and manner that is reasonably designed to enable each Trading Privilege Holder to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof; provided that any failure of OSTTRA SEF to so publish a notice will not affect the effectiveness of the addition or modification in question. Each Trading Privilege Holder will provide its respective Authorised Traders, Authorised Trading Firms and Customers with copies of any such notice. For purposes of publication in accordance with the first sentence of this Rule 209(a), it will be sufficient (without limiting the discretion of OSTTRA SEF as to any other reasonable means of communication) if a notice is (a) sent to each Trading Privilege Holder by mail, recognised courier service, facsimile or electronic mail (including by means of a hyperlink included in an electronic mail message), to the address, facsimile number or electronic mail address (as applicable) provided by such Trading Privilege Holder for such purpose or (b) published on the Facility's website. Each Trading Privilege Holder, on its own behalf, and on behalf of its Authorised Traders, Authorised Trading Firms and Customers, as applicable, must monitor the Facility's website for any notices published under this Rule 209(a).

(b) *Recording of Communications*

(1) OSTTRA SEF and Trading Privilege Holders may record conversations and retain copies of electronic communications between officers, employees or agents of OSTTRA SEF, on the one hand, and Trading Privilege Holders (including their Affiliates), Authorised Traders, Authorised Trading Firms or Customers, on the other hand. Any such recordings or other records may be retained by OSTTRA SEF or such Trading Privilege Holder, as the case may be, in such manner and for such periods of time as OSTTRA SEF, or such Trading Privilege Holder, as the case may be, may deem necessary or appropriate.

(2) OSTTRA SEF shall retain records of telephone conversations and other electronic communications for a period of 5 years (7 years at the request of the FCA). Copies of such records pertaining to a Trading Privilege Holder's or Customer's Bids/Offers are available to that Trading Privilege Holder or Customer upon request. OSTTRA SEF reserves the right to charge a fee for the provision of such records.

Rule 210 Required Disclosures to OSTTRA SEF

Each Participant must promptly notify OSTTRA SEF in writing upon becoming aware:

(a) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been the subject of a material sanction, penalty or other adverse action by any Regulatory Agency which is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(b) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been convicted of, pled guilty or no contest to, or entered in a plea agreement of a material nature in any domestic, foreign or military court which involves:

(1) embezzlement, bankruptcy, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretences, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or

(2) any transaction in or advice concerning Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(c) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms is subject to material regulatory proceedings before any Regulatory Agency which are related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(d) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have been denied or withdrawn any application for registration or license submitted to any Regulatory Agency, and of any material revocation, suspension or conditioning of any registration or license granted by any Regulatory Agency, which in each case is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(e) that any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have:

(1) had their status as an Authorised Trader or Authorised Trading Firm permanently revoked by the Trading Privilege Holder, whether due to employment termination, termination of status as a Customer or otherwise; or

(2) had their access to the Facility temporarily revoked by the Trading Privilege Holder;

(f) of any material change:

(1) in any information contained in the Trading Privilege Holder's membership application, or in an Authorised Trader's or Authorised Trading Firm's application pursuant to Rule 202, including a Trading Privilege Holder's or Authorised Trading Firm's status as (i) an ECP or (ii) a Professional Client or an Eligible Counterparty; or

(2) to a Trading Privilege Holder's or Authorised Trading Firm's signed representation to OSTTRA SEF that each of its Customers is an ECP pursuant to Rule 202(e).

(g) of any withdrawal from membership by the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms, in any SRO, designated contract market, DCO or swap execution facility;

(h) of any damage to, or failure or inadequacy of, the systems, facilities or equipment used to effect transactions or perform financial obligations under or in connection with Contracts of the Trading Privilege Holder or any of its Authorised Traders or Authorised Trading Firms;

(i) of any change in the location of the principal office of the Trading Privilege Holder or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms;

(j) of any failure to maintain segregated funds as required by the Commission when the Trading Privilege Holder is a futures commission merchant registered with the Commission;

(k) of becoming subject to early warning reporting under Commission Regulation 1.12; and

(l) of becoming the subject of a bankruptcy proceeding or being unable to meet any financial obligation as it becomes due.

Rule 211 Dues, Fees and Expenses

(a) The Board has the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders, which dues, assessments or fees will be

paid to OSTTRA SEF when due. Fees will be levied on a non-discriminatory basis and will therefore be comparable for Trading Privilege Holders receiving comparable access to, or services from, OSTTRA SEF.

(b) If a Trading Privilege Holder fails to pay when due any OSTTRA SEF dues, assessments or fees levied on such Trading Privilege Holder, and such payment obligation remains unsatisfied thirty (30) days after its due date, OSTTRA SEF may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Trading Privilege Holder as it deems necessary or appropriate.

Rule 212 Market Maker Programs

(a) OSTTRA SEF may from time to time adopt one or more programs under which one or more Trading Privilege Holders or others may be approved and designated as market makers with respect to one or more Contracts in order to provide liquidity and orderliness in the market or markets for such Contract or Contracts. Any such program may provide for any or all of the following:

(1) qualifications, including any minimum net capital requirements, that any such market maker must satisfy;

(2) the procedure by which Trading Privilege Holders or others may seek and receive designation as market makers;

(3) the obligations of such market makers, including any applicable minimum bid and offer commitments;

(4) the benefits accruing to such market makers, including priority in the execution of transactions effected by Trading Privilege Holders or others as approved by OSTTRA SEF in their capacity as market makers, reduced transaction fees or the receipt of compensatory payments from OSTTRA SEF;

(5) the requirement that such designated market makers agree to abide by the Rules and are subject to the jurisdiction of the Facility; and

(6) any pre-trade trade transparency requirements that may apply to the best Bid/Offer prices and volumes of any such market makers.

(b) In accordance with article 17(3) of MiFID II, a Trading Privilege Holder pursuing a "market making strategy" by way of algorithmic trading on the Facility will be deemed to have accepted the terms of the "Market Making Agreement between OSTTRA SEF Limited and Market Makers on the OSTTRA SEF" that is available on the Facility's website (the "**MMA**", which is a Market Maker Programme), where (in accordance with article 1(1) of the Market Making CDR), during half the trading days over a one month period, in execution of its market making strategy, they:

(1) post Firm, Simultaneous Two-Way Quotes of Comparable Size and Competitive Prices; and

(2) deal on their own account in at least one Instrument for at least 50% of the daily trading hours of continuous trading on the Facility, excluding opening and closing auctions.

(c) Capitalised terms used in Rule 212(a) that are not otherwise defined in this Rulebook have the meaning given to them in the MMA (and for the purposes of Rule 212(a), to the extent of any inconsistency between the terms of the MMA and this Rulebook, the terms of the MMA shall prevail).

Rule 213 Independent Software Vendors

OSTTRA SEF shall provide impartial access to independent software vendors who enter into a development and maintenance agreement with OSTTRA SEF (an "**ISV Development and Maintenance Agreement**"). Fees will be comparable for independent software vendors receiving comparable access to, or services from, OSTTRA SEF. Each independent software vendor that enters into an ISV Development

and Maintenance Agreement must satisfy the following criteria, which OSTTRA SEF shall apply in a fair and non discriminatory manner:

(a) if required to be registered in any capacity under Applicable Law, it has duly registered in such capacity and such registration is in effect and has not lapsed or been revoked, suspended or withdrawn;

(b) it complies with the applicable technical access standards, system compatibility requirements, security protocols and technical specifications for connection to OSTTRA SEF's electronic systems as may be specified by OSTTRA SEF from time to time;

(c) it must ensure that each person that uses the independent software vendors to access the Facility is a Participant or a Customer of a Participant authorised as such in accordance with these Rules;

(d) it may provide data obtained from the Facility solely to such Participants or Customers of Participants in connection with their actual and proposed trading activity in Contracts and similar contracts, and shall not provide such data to any other SEF, security-based swap execution facility, designated contract market, national securities exchange or other trading facility or system without the prior written consent of OSTTRA SEF;

(e) in the case of any Bid/Offer submitted to OSTTRA SEF through an independent software vendor, the independent software vendor will provide sufficient detail to identify the Participant (and, in the case of an Intermediated Transaction, the Intermediary and Customer) as required by OSTTRA SEF; and

(f) it satisfies such other impartial and transparent criteria as OSTTRA SEF may specify from time to time, subject to Applicable Law.

Rule 214 Withdrawal of Participant

(a) To withdraw from the Facility, a Participant must notify OSTTRA SEF in writing, following such procedures as may be established by OSTTRA SEF.

(b) OSTTRA SEF may, in its reasonable discretion, refuse to accept a Participant's withdrawal request or may postpone the effective date of withdrawal of a Participant if OSTTRA SEF considers it necessary for the protection of the Participant's Customers, other Participants or otherwise in the interests of OSTTRA SEF.

(c) Based on the information provided to, and other information gathered by, OSTTRA SEF regarding a Participant's withdrawal request, OSTTRA SEF will determine whether to: (i) accept the withdrawal request; (ii) postpone the effective date of the withdrawal; or (iii) impose any terms or conditions before or after the effective date of withdrawal.

(d) If OSTTRA SEF refuses to accept a Participant's withdrawal request or postpones the effective date of withdrawal of a Participant, OSTTRA SEF may waive the obligation to pay some or all of the fees, costs and charges that OSTTRA SEF would have imposed during the period after the date on which the requested withdrawal would have otherwise taken effect.

(e) When OSTTRA SEF accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including the Trading Privileges and ability to access a Trading Platform). The accepted withdrawal of a Participant shall not affect the rights of OSTTRA SEF under the Rules or relieve the former Participant of its obligations with respect to previously executed transactions (including any contractual obligations relating to any Contracts entered into by such Participant, or the payment of any fees, costs, or charges incurred prior to such withdrawal). Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the jurisdiction of the Facility for acts done and

omissions made while a Participant, and must cooperate in any proceeding under Chapter 5 as if such withdrawal had not taken place.

(f) Upon delivery of a withdrawal notice:

(1) the Participant shall promptly notify its Authorised Traders and Authorised Trading Firms that they may no longer access the Facility on behalf of such Participant, and the Participant shall with reasonable diligence, to the extent practicable, terminate electronic access of its Authorised Traders and Authorised Trading Firms to the Facility; and

(2) OSTTRA SEF shall suspend the Participant's access to the Facility, promptly notify its relevant personnel that Participant and its Authorised Trading Firms may no longer access the Facility on behalf of such Participant, and with reasonable diligence, to the extent practicable, terminate electronic access of the Participant's Authorised Traders to the Facility.

Rule 215 [Reserved]

CHAPTER 3

TRADING PROCEDURES

Rule 301 Trading Sessions

Except as otherwise provided in these Rules or determined by the Board, transactions in any Contract will only be executed during the Trading Session for such Contract. OSTTRA SEF may from time to time modify its regular Trading Session and establish Trading Sessions, in addition to the regular Trading Sessions, as it deems appropriate.

Rule 302 Information about, and access to, the Facility

(a) *User Identifications and Shortcodes*

(1) Each Authorised Trader and each Trading Privilege Holder that is an individual will be required to obtain a user identification ("ID") and shortcode, pursuant to the process specified by OSTTRA SEF This identifying information is required to access, enter orders, and execute transactions on the Facility.

(2) Each ID shall be registered with OSTTRA SEF and represent an Authorised Trader or a Trading Privilege Holder that is:

(3) a natural person with access to the Facility as mentioned in Rule 903 Each ID issued and registered:

(i) for a natural person with access to the Facility may only be used by that natural person and may not be used by any other natural person or entity

(4) Each Trading Privilege Holder will be responsible for protecting from improper disclosure its ID and password, and the IDs and passwords of its Authorised Traders. In addition, a Trading Privilege Holder may not knowingly or negligently permit any person not authorised by OSTTRA SEF and by the Trading Privilege Holder to use the ID and password to access the Facility. Each Trading Privilege Holder is required to immediately notify OSTTRA SEF if it knows, or has reason to believe, that its ID and/or password, or the ID and/or password of any Authorised Trader have been disclosed to any person not authorised by OSTTRA SEF and the Trading Privilege Holder to use such ID and/or password.

(5) Except as otherwise provided in Rule 102:

(i) each Trading Privilege Holder will be liable for all costs and any losses that it may incur from transactions executed on the Facility by any person, authorised or not, using its ID and password or the ID and/or password of any of its Authorised Traders; and

(ii) OSTTRA SEF will not be responsible in any way for unauthorised transactions for a Trading Privilege Holder's account.

(b) For account security and audit trail purposes, each Trading Privilege Holder and Authorised Trader agrees that OSTTRA SEF may log user access on to the Facility.

(c) Each Trading Privilege Holder is responsible for contracting with a network provider through which it will access the Facility and for having a backup service provider if the Trading Privilege Holder deems it necessary. Each Trading Privilege Holder is also responsible for maintaining a network connection speed adequate for its needs. OSTTRA SEF will not be responsible in any way for any Bids/Offers delayed or transactions missed or not executed in a timely fashion because of failure of the Trading Privilege Holder's Internet service provider or slowness of its network connection speed. No

communication from a Trading Privilege Holder will be deemed to have been received by OSTTRA SEF until that communication is logged by the Facility server.

Rule 303 Required Transactions

a. OSTTRA SEF does not currently offer any Contracts that are Required Transactions. Separately, OSTTRA SEF does not currently offer Order Book or RFQ functionality.

Rule 304 Permitted Transactions

(a) Participants may enter Bids/Offers for Permitted Transactions into the Facility.

(b) Participants may submit to the Facility's pre-arranged crossing Trading Platform for execution Permitted Transactions negotiated and agreed to with regard to Contracts that have been designated by OSTTRA SEF for such purpose (each such transaction a "**Pre-Arranged Cross**"). Pre-Arranged Crosses that are not Intermediated Transactions must be submitted to the Trading Platform by the seller, unless otherwise agreed to by the parties. For Intermediated Transactions, only Bulk Risk Mitigation Trading Privilege Holders may submit Pre-Arranged Crosses to the Trading Platform, and in such cases, the Bulk Risk Mitigation Trading Privilege Holder shall have the obligation to submit the Pre-Arranged Cross to the Trading Platform. The Participant submitting the Pre--Arranged Cross to the Trading Platform must provide the information required by Rule 208(d). Participants agree that, to the extent a transaction submitted to the Trading Platform in connection with bulk risk mitigation services could qualify as a Block Trade, they do not elect to treat such transaction as a Block Trade for purposes of reporting under Part 43 of the Commission Regulations.

(c) A OSTTRA SEF customer service representative may facilitate the negotiation and execution of a Pre-Arranged Cross by two Participants only as follows: upon request of a Participant, the customer service representative may, without using any Trading Platform, contact one or more other Participants to determine interest in a Pre-Arranged Cross.

(d) Upon execution of the Permitted Transaction on the Facility, OSTTRA SEF will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 309.

(e) Each Participant that is party to, or Intermediary in, a Pre-Arranged Cross executed pursuant to section (b) of this Rule 304 must record the following details of the transaction: the Contract (including the Delivery Month) to which such transaction relates; the number of Contracts traded; the price of execution or premium; the identity of the counterparty; and, if applicable, details regarding the Customer for which the transaction was executed, as well as, if applicable, the Underlying Interest and whether the transaction involved a put or a call and the strike price. Upon request by OSTTRA SEF, such Participant must produce satisfactory evidence, including the transaction information referred to in the preceding sentence that the transaction meets the requirements set forth in this Rule.

Rule 305 [Reserved]

Rule 306 [Reserved]

Rule 307 Acceptable Bids and Offers

(a) The Bid/Offer types shall be as specified in the appropriate System Protocol.

Rule 308 [Reserved]

Rule 309 Reporting and Data Collection

(a) In furtherance of Applicable Law, OSTTRA SEF will capture and retain all transaction data, so as to be able to reconstruct all transactions within a reasonable period of time and to provide evidence of any Violations.

(b) In furtherance of Applicable Law, OSTTRA SEF will retain records for all transactions executed on the Facility. This includes (but is not limited to) all Bids/Offers and Pre-Arranged Crosses, whether accepted, unaccepted, cancelled or modified, and all acceptances of such transactions.

(c) In furtherance of Applicable Law, OSTTRA SEF shall maintain an electronic transaction history database, which includes a history of all Bids/Offers, Pre-Arranged Crosses and transactions, and also includes: (i) all data that are input into the trade entry system; (ii) the categories of Participant or Customer for which each transaction is executed, including whether the Participant or Customer executed the transaction for its own account or the transaction was executed by an Intermediary; (iii) timing and sequencing data adequate to reconstruct trading; and (iv) subject to Rule 309(h), identification of each Participant or Customer to which fills are allocated.

(d) In furtherance of Applicable Law, OSTTRA SEF will conduct reviews of compliance by all Participants that are responsible for, or in control of, the creation of audit trail records with its audit trail and recordkeeping requirements. The audit trail reviews may include analysis of randomly-selected samples of front end audit trail data for order routing systems; a review of the process by which user identifications are assigned and user identification records are maintained; a review of usage patterns associated with user identifications to monitor for violations of user identification Rules; and reviews of account numbers and Customer Type Indicator Codes in transaction records to test for accuracy and improper use.

(e) All such information will be maintained by OSTTRA SEF in a manner that protects it from unauthorised alteration, as well as from accidental erasure or other loss.

(f) OSTTRA SEF will publish trading information as required by:

(1) Core Principle 9, Commission Regulation § 37.901 and Part 16 of the Commission Regulations; and

(2) FCA rules and MiFIR.

a. Under certain conditions, the FCA may grant a trading venue permission not to make public current Bid and Offer prices for a Contract and the depth of trading interest at those prices (a "**Waiver**"). OSTTRA SEF will notify Participants of any such Waiver obtained from the FCA.

(g) *Reporting to SDRs*

(1) OSTTRA SEF will report all transactions in Contracts executed on the Facility or pursuant to the Rules to an SDR of OSTTRA SEF's choice as soon as technologically practicable after the execution of such transaction. OSTTRA SEF will report such transactions as set forth below:

(i) For Cleared Contracts, including all legs of a Package Transaction, in all asset classes: OSTTRA SEF reports to DTCC.

(ii) For Non-Cleared Contracts, including all legs of a Package Transaction, in all asset classes: OSTTRA SEF reports to DTCC.

(2) As soon as technologically practicable after the execution of a Contract, OSTTRA SEF will report to both counterparties and to the DCO, if any, that will clear the Contract: (i) the

identity of the SDR to which the Contract was reported; and (ii) the Contract's unique transaction identifier.

(3) All data required by Part 43 of the Commission Regulations and all data required by Part 45 of the Commission Regulations will be reported to the relevant SDR as provided for under Part 43 and Part 45 of the Commission Regulations.

(4) OSTTRA SEF will disseminate swap transaction and pricing data relating to Contracts to Participants no earlier than the transmittal of such information to the relevant registered SDR.

(5) After becoming aware of or being notified of any errors or omissions in the transaction or pricing data set forth in a Confirmation by a Participant pursuant to Rule 312(d), the Facility shall then promptly submit corrected data to the relevant SDR.

(6) Neither the Facility nor any Participant may submit or agree to submit a cancellation or correction for the purposes of re-reporting Swap transaction and pricing data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 of the CFTC Regulations.

(h) *Post Trade Allocations*

(1) Each Participant shall provide OSTTRA SEF post-trade allocation information to the SEF upon the request of OSTTRA SEF.

(2) During the course of any trade practice surveillance or market surveillance investigation into any trading activity involving post-trade allocations, and pursuant CFTC NAL 20-36, upon the request of the CFTC or otherwise, OSTTRA SEF shall ascertain whether a post-trade allocation was made. Upon determining that such an allocation was made, OSTTRA SEF shall request, obtain and review the post-trade allocation information as part of its investigation.

Rule 310 [Reserved]

Rule 311 [Reserved]

Rule 312 Enforceability of Transactions

(a) *Settlement*

(1) Each Participant or, where a transaction is on behalf of a Customer, the relevant Customer, is obligated to settle all transactions executed, pursuant to the Rules in this Chapter 3.

(2) A transaction executed on the Facility or subject to the Rules shall not be void, voidable, subject to rescission, otherwise invalidated or rendered unenforceable as a result of:

(i) a violation by the Facility of Section 5h of the Act or Part 37 of the Commission Regulations;

(ii) any Commission proceeding to alter or supplement a rule, term or condition under Section 8a(7) of the Act or to declare an emergency under Section 8a(9) of the Act; or

(iii) any other proceeding the effect of which is to: (A) alter or supplement a specific term or condition or trading rule or procedures; or (B) require the Facility to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

(b) *Issuance of Facility Confirmations for Cleared Contracts*. Participants and Customers are obligated to submit for clearing all Contracts so required by the Act, Commission Regulations and any other Applicable Law. For Cleared Contracts, OSTTRA SEF will provide the Trading Privilege Holder a Confirmation of all the terms of each transaction executed on the Facility at the time of execution; provided that where a Trading Privilege Holder is a Customer in an Intermediated Transaction, the confirmation will be provided to the Intermediary in accordance with Rule 313 (c). The Confirmation provided by OSTTRA SEF for Cleared Contracts will be the final legally binding confirmation of the terms of any transaction executed on the Facility and will supersede any conflicting confirmation or agreement provided to, or between, as applicable, Participants and Customers, regardless of when such other confirmation is provided.

(c) *Issuance of Facility Confirmations for Uncleared Transactions*

(1) With respect to an uncleared transaction, the Facility will issue to each applicable Participant and/or Customer a written communication when a transaction is executed on the Facility which will serve as the Confirmation for the transaction. The Confirmation will contain the economic terms specific to the transaction agreed by each Participant on the Facility and it will incorporate by reference the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which each Participant and/or Customer are party (the "**Terms Incorporated by Reference**").

(2) In satisfaction of the obligations imposed on OSTTRA SEF under Commission Regulation 37.6(b), (i) each Confirmation is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 312(b) upon issuance of the Confirmation, (ii) each Participant and Customer hereby agrees that the provisions of Rule 312(c)(3) shall govern any conflicting terms, and (iii) the resulting Confirmation takes place at the time of execution of, and contains all the terms of, the transaction.

(3) In the event of any conflict between (x) the Confirmation and (y) the Terms Incorporated by Reference, the Confirmation shall prevail to the extent of any inconsistency and each Confirmation shall state the same.

(d) *Review of Confirmations*. Each Participant shall review the contents of each Confirmation issued to it pursuant to this Rule 312 and shall promptly report any errors or omissions in the transaction or pricing data therein to the counterparty to the Contract. Each Participant that is the reporting counterparty for such Contract, as determined pursuant to Rule 316, shall report all such errors or omissions to the Facility as soon as technologically practicable after becoming aware of the errors or omissions.

Rule 313 Intermediated Transactions

(a) Participants who are Intermediaries shall immediately submit all Orders to the Facility to be immediately entered into a Trading Platform and shall immediately submit all Pre-Arranged Crosses to the Facility. If an Order or Pre-Arranged Cross cannot be immediately entered into a Trading Platform or submitted to the Facility, as applicable, an electronic record which includes the account identifier that relates to the account owner, time of receipt, and terms of the Order or Pre-Arranged Cross must immediately be created, and the Order or Pre-Arranged Cross must be entered into a Trading Platform or submitted to the Facility, as applicable, as soon as practicable.

(b) *Priority of execution*. Non-discretionary executable Customer Orders received by a Participant who is an Intermediary shall be entered into Facility in the sequence received. Non-discretionary Orders that cannot be immediately entered must be entered when the Orders become executable, in the sequence in which the Orders were received.

(c) OSTTRA SEF shall provide all Confirmations of Intermediated Transactions to the Intermediary upon execution of the transaction. Except to the extent that OSTTRA SEF sends

Confirmations of Contracts directly to the relevant Customer, any Participant that transacts as an Intermediary for any Customer shall be responsible for ensuring that such Customers receive all Confirmations of Contracts entered into on behalf of such Customers as soon as technologically practicable after receipt of the Confirmation from OSTTRA SEF.

(d) Intermediated Transactions may be canceled for clerical or operations errors pursuant to Rule 315(k).

Rule 314 Bunched Orders

Bunched Orders must be allocated and recorded in accordance with Commission Regulation 1.35(b)(5) and the NFA's Interpretive Notice related to Compliance Rule 2-10. Bunched Orders may be entered using a designation for a group of accounts or suspense account number; provided, however that:

(1) the Bid/Offer or Pre-Arranged Cross is being placed by a Participant who is, or is acting on behalf of, an account manager for multiple accounts eligible for post execution allocation; or

(2) a written, pre-determined allocation scheme that defines the group of accounts has been provided to the Clearing Firm accepting or clearing the Bid/Offer prior to the time that such Bid/Offer is entered.

Rule 315 OSTTRA SEF Authority over Transactions

(a) *OSTTRA SEF Authority Regarding Cancellations, Price Adjustments and Errors*

OSTTRA SEF has authority to cancel any transaction, to adjust the price of any transaction executed on the Facility, or to execute or require the execution of a new or offsetting transaction: (i) when OSTTRA SEF determines in its sole discretion such action is necessary to mitigate system defects or market disrupting events, Disorderly Trading Conditions and breaches of capacity limits caused by the improper or erroneous use of a Trading Platform; (ii) at any time OSTTRA SEF determines, in its sole discretion, that allowing a transaction to stand as executed may have a material adverse effect on the integrity of the market; or (iii) in accordance with Rule 315(c), (d), (h), (i), (j) or (k). All decisions of OSTTRA SEF regarding OSTTRA SEF's cancellation of transactions or the adjustment of transaction prices and the execution of new or offsetting transactions shall be final, subject to 315(d).

(b) *Determination to Review a Transaction's Price*

(1) OSTTRA SEF may determine to review a transaction's price based on its independent analysis of market activity or upon a Participant's request. A Participant's request for review must be made (i) for an uncleared Pre-Arranged Cross, within one Business Day of the execution of such transaction. In the absence of a timely request for review, OSTTRA SEF may determine whether or not a transaction will be subject to review in its sole discretion.

(2) If OSTTRA SEF determines to review a transaction's price, it will promptly issue an alert to all Participants via a Trading Platform or electronic mail indicating that the transaction is under review.

(c) *Review of a Transaction's Price*

(1) In reviewing a transaction's price, OSTTRA SEF shall determine the fair value price for the Swap at the time the transaction under review occurred. OSTTRA SEF may consider any relevant information, including, but not limited to, the last transaction price of the Swap or a better Bid/Offer, a more recent price for a different maturity date, the price of the same or related Swap established in another venue or another market, the market conditions at the time of the transaction.

(2) If OSTTRA SEF determines that the price of a transaction is a fair value price, OSTTRA SEF will issue an alert indicating that the transaction shall stand as executed.

(3) If OSTTRA SEF determines that the price of a transaction is not a fair value price, OSTTRA SEF shall have the right, in its sole discretion, to cancel or adjust the price of such transaction.

(d) *Alternative Resolution by Agreement of Parties for Transactions Reviewed for Price*

(1) With the approval of OSTTRA SEF, parties to a transaction that is under review for price or that has had its price adjusted may instead, together with the DCO, as applicable, mutually agree to cancel or otherwise adjust the price of the transaction.

(2) With the approval of OSTTRA SEF, parties to a transaction that is cancelled may instead, together with the DCO, as applicable, mutually agree to adjust the price of such transaction to a fair value price.

(3) Subject to sections (d)(1) and (d)(2), parties to a transaction that is cancelled or that has had its price adjusted may mutually agree to a cash adjustment.

(4) Any proposed cancellation or adjustment made pursuant to sections (d)(1), (d)(2) or (d)(3) must be reported to the Facility by the parties within one (1) Business Day and the parties must maintain a record of such adjustment.

(e) *Liability for Losses Resulting from Cancellations or Price Adjustments*

(1) A party that through error or mistake enters a Bid/Offer or Pre-Arranged Cross that results in a cancellation or price adjustment shall be responsible for demonstrated claims of realised losses incurred by persons whose transaction prices were cancelled or adjusted; provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

(2) A claim for a loss pursuant to this Rule 315 must be submitted to the Facility within one (1) Business Day of the event giving rise to the claim. OSTTRA SEF will reject any claim that is not filed in a timely manner and such decision shall be final. Eligible claims shall be forwarded by OSTTRA SEF to the party responsible for the Bid/Offer or Pre-Arranged Cross that resulted in a cancellation or a price adjustment of a transaction and the Participant through which the transaction was submitted to the Facility. Such party, or Participant on behalf of such party, shall, within ten (10) Business Days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten (10) Business Days shall be deemed a denial of liability.

(3) To the extent that liability is admitted, payment shall be made within ten (10) Business Days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten (10) Business Days shall be deemed a denial of liability for the purposes of this Rule 315. A copy of any such written agreement must be provided to OSTTRA SEF.

(4) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Rule 702. Such claims must be submitted to OSTTRA SEF within ten (10) Business Days of the date the party was issued notification that liability was denied.

(f) [Reserved]

(g) *Reporting and Recording of Cancellations and Price Adjustments*

(1) Cancelled transactions and any prices that have been adjusted shall be cancelled in OSTTRA SEF's official records.

(2) Transactions that have had their price adjusted shall be reflected in OSTTRA SEF's official records at the adjusted price.

(h) *Review of Transactions for Errors*

(1) If a Participant or Clearing Firm believes that any transaction in one or more Contracts was executed, cleared or rejected from clearing as a result of an Error, as defined in Rule 315(h)(3), such person may request review of the transaction.

(2) Upon receipt of a request for review of a transaction, or if OSTTRA SEF determines on its own initiative to conduct such a review, OSTTRA SEF will review its records to determine if an Error occurred.

(3) OSTTRA SEF may cancel or adjust the transaction, or execute or require the execution of a new or offsetting Cleared Contract under the procedures of Rule 315(i), as appropriate, if the review described in this Rule reveals that:

(i) a Trading Platform made a material mistake or that a mistake occurred as a result of a malfunction in a Trading Platform or by human error; or

(ii) a Pre-Arranged Cross was incorrectly displayed and/or executed and/or reported; or

(iii) a Trading Platform or Participant made a clerical or operating error or omission that caused a transaction to be rejected from clearing and void *ab initio*; or

(iv) a Clearing Firm or DCO rejected a leg of a Package Transaction for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction (each of the foregoing, an "**Error**").

(4) If the review described in this Rule reveals that no Error occurred, OSTTRA SEF will inform any person who requested the review that OSTTRA SEF has determined that the transaction was properly handled, the evidence supporting that determination, and that a cancellation, adjustment or a new or offsetting transaction under Rule 315(i) will not be made.

(5) OSTTRA SEF will document in writing all requests for review of transactions received by OSTTRA SEF, or any review on its own initiative, the time and manner in which OSTTRA SEF reviewed its electronic audit trail in response to the request or review on its own initiative, the outcome of that review, and the action or actions taken by OSTTRA SEF in response to that review.

(6) If a transaction is reviewable for price under Rule 315(b), the procedures of this Rule 315(h) shall not apply.

(i) *Procedures for Correcting Errors*

(1) The procedures of this Rule 315(i) are limited to:

(i) A Cleared Contract that was rejected for clearing and void *ab initio* because of a clerical or operational error or omission by OSTTRA SEF, or a Participant (each, a "**Rejected Transaction**"),

(ii) A leg of a Package Transaction that was rejected for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction and only for such rejected leg (each, a "**Rejected Leg**"), and

(iii) A Cleared Contract that is carried on a DCO's books as a result of a clerical or operational error or omission by OSTTRA SEF, or a Participant that was not identified until after the Cleared Contract had been cleared (each, an "**Erroneously Cleared Transaction**"), in each case where the Facility has affirmatively determined that the transaction or a term thereof resulted from an Error.

(2) For Rejected Transactions and Rejected Legs, if a Participant or Clearing Firm believes that a transaction qualifies as a Rejected Transaction or a Rejected Leg, such Participant or Clearing Firm shall promptly request review of the transaction pursuant to Rule 315(h).

(i) Upon completion of the review of the transaction pursuant to Rule 315(h), if OSTTRA SEF determines that an Error resulted in a Rejected Transaction or a Rejected Leg and:

A. If OSTTRA SEF is able to determine how to correct the Error, OSTTRA SEF shall execute a new Cleared Contract with the same terms as the Rejected Transaction or Rejected Leg, other than the Error, without obtaining consent of the Participant that submitted the Rejected Transaction or Rejected Leg or the Customer on whose behalf such transaction was submitted. The new Cleared Contract must be submitted by a OSTTRA SEF customer service representative as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

B. If OSTTRA SEF is unable to determine how to correct the Error, OSTTRA SEF shall consult with the Clearing Firms for the Rejected Transaction or Rejected Leg and the Participants involved in such transaction, as necessary, and the Clearing Firms for such transactions may, with the consent of each respective Customer or Participant, agree to a new Cleared Contract with the same terms as the Erroneously Cleared Contract, other than the Error. Such Customer or Participant consent may not be obtained in advance, and must be sought and obtained by each Clearing Firm on a case-by-case basis, after the Cleared Contract has been rejected. If there is such agreement and consent, the new Cleared Contract must be submitted by the Participant specified in Rule 304(b) as a Pre-Arranged Cross pursuant to the procedure in Rule 304(b), and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

(ii) Upon execution of such Pre-Arranged Cross by OSTTRA SEF to replace a Rejected Transaction or Rejected Leg, OSTTRA SEF shall submit the transaction to the DCO for clearing as quickly as technologically practicable, but in any case no later than 60 minutes from the issuance of the notice of rejection by the DCO to the Clearing Firms.

(iii) If the new Cleared Contract resulting from such Pre-Arranged Cross is rejected from clearing, it is void *ab initio* and no additional new Cleared Contract will be permitted to be submitted under the procedure in this Rule 315(i)(2).

(iv) OSTTRA SEF shall report Swap transaction data to the relevant SDR pursuant to Rule 309(f) for a new Cleared Contract that clears with the same terms as the Rejected Transaction or Rejected Leg, as applicable, other than the Error, including: a Part 43 cancellation for the original

transaction, a Part 45 termination indicating the original transaction is void *ab initio*, and swap transaction data pursuant to Parts 43 and 45 for the new Cleared Contract. Such data shall reference the original cancelled trade, indicate that it has been reported pursuant to the procedures described in this Rule 315(i)(2) and link the original cancelled trade to the new trade for reporting to the relevant SDR under Part 43 and Part 45 of the Commission Regulations.

(v) The procedures in this Rule 315(i)(2) are not available for Rejected Legs of Package Transactions that are rejected for clearing by a Clearing Firm or DCO because the Package Transaction as a whole failed to satisfy the applicable Risk-Based Limits.

(3) For Erroneously Cleared Transactions, if a Participant, or Clearing Firm believes that a Cleared Contract is carried on the books of a DCO as a result of an Error, such Participant, or Clearing Firm shall promptly request review of the transaction pursuant to Rule 315(h).

(i) Upon completion of the review of the transaction pursuant to Rule 315(h), if OSTTRA SEF determines that an Error resulted in an Erroneously Cleared Transaction and:

A. If OSTTRA SEF is able to determine how to correct the Error, OSTTRA SEF shall execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and OSTTRA SEF shall execute a new Cleared Contract with the same terms as the Erroneously Cleared Transaction, other than the Error, in each case without obtaining consent of the Participant that submitted the Erroneously Cleared Transaction or the Customer on whose behalf such transaction was submitted; provided that, where an Erroneously Cleared Transaction did not satisfy the Risk-Based Limits of a Participant's Clearing Firm, OSTTRA SEF shall obtain the consent of the relevant Clearing Firm prior to executing such offsetting Cleared Contract. The new Cleared Contract must be submitted by a OSTTRA SEF customer service representative as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

B. If OSTTRA SEF is unable to determine how to correct the Error, OSTTRA SEF shall consult with the Clearing Firms for Erroneously Cleared Transactions and the Participants involved in such transaction, as necessary, and the relevant Participant may agree to execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and to execute to a new Cleared Contract with the same terms as the rejected Cleared Contract, other than the Error. The new Cleared Contracts must be submitted by the Participant specified in Rule 304(b) as Pre-Arranged Crosses pursuant to the procedure in Rule 304(b), and such Pre-Arranged Crosses shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

(ii) Upon execution of such Pre-Arranged Crosses by OSTTRA SEF to offset an Erroneously Cleared Transaction and to enter into a new Cleared Contract, OSTTRA SEF shall submit the transactions to the DCO for clearing as quickly as technologically practicable, but in any case no later than three days after the Erroneously Cleared Transaction was executed.

(iii) If the new Cleared Contract resulting from such Pre-Arranged Cross is rejected from clearing, it is void *ab initio* and no additional new Cleared Contract will be permitted to be submitted under the procedure in this Rule 315(i)(3).

(4) For the avoidance of doubt, the procedures of this Rule 315(i) are not applicable to any transaction rejected by a DCO for credit reasons.

(j) *Reserved*

(k) *Cancellation of Intermediated Transactions for Errors*. Transactions subject to this Rule 315(k) are those Pre-Arranged Crosses that are not submitted in connection with a bulk risk mitigation service and are not Cleared Contracts. The errors that qualify a transaction for cancellation under this rule are limited to clerical or operational errors including errors in Customer static data, obvious errors in trade terms, such as tenor or price, and expressly exclude the trade cancellations and price adjustments for the Errors discussed in Rule 315 (h) and (i) .

(1) An Intermediary may request that the Facility cancel any Intermediated Transaction the same business day of the execution of such transaction if such transaction was executed with errors described in this Rule 315(k).

(i) The Intermediary shall communicate the cancellation directly to the Facility and indicate the Customers involved in the transaction and which error is driving the request; and

(ii) Immediately following cancellation of the transaction by the Facility, the Intermediary shall submit a corrected Pre-Arranged Cross. The Facility shall report the cancellation of the old transaction and the execution of the new transaction to the SDR using the execution time of the original transaction, as well as any other fields necessary to show that the cancellation and new Pre-Arranged Cross act to amend the transaction executed with an error; or

(iii) As an alternative to Rule 315(k)(1)(i)-(ii) above, the Intermediary may cancel the transaction directly by using API connectivity, provided the trade is cancelled the same business day, a corrected Pre-Arranged Cross is immediately submitted following such cancellation, and the fields reported to the SDR properly reflect that the cancellation and new Pre-Arranged Cross act to amend the transaction executed with an error.

(2) For any transaction executed with any errors described in this Rule 315(k) that is discovered after the business day on which the transaction was executed, but within 24 hours post execution, the Intermediary must submit a request to cancel the transaction to the Facility, which the Facility may approve in its discretion.

(i) The request to the Facility must indicate the errors driving the requested cancellation and whether the counterparties to the transaction were notified of the request to the Facility.

(ii) Upon approval by the Facility, the Facility shall cancel the transaction, and immediately following cancellation of the transaction by the Facility the Intermediary shall submit a new corrected Pre-Arranged Cross to the Facility.

(iii) The Facility shall then:

a. report the cancellation of the transaction and the new Pre-Arranged Cross to the SDR using the execution time of the original transaction as well as any other fields necessary to show that the cancellation and new Pre-Arranged Cross act to amend the transaction executed with an error, and

b. charge the Intermediary $500 USD per each such cancelled transaction.

(l) *Post-execution amendments to non-Cleared Contracts for reasons other than Errors*. Nothing in this Rule prohibits Participants from mutually deciding to amend, terminate, assign or novate a non-Cleared Contract after execution on OSTTRA SEF. Any such bilateral post-execution amendment, termination, assignment, or novation of a non-Cleared Contract that was initially executed on OSTTRA SEF must be reported to the same SDR to which OSTTRA SEF reported the original transaction, consistent with requirements of CFTC Part 45. Such reporting obligations rest with the reporting counterparty determined pursuant to Rule 316.

Rule 316 Reporting Counterparty

(a) For each Contract executed on or subject to the Rules, OSTTRA SEF shall report all required data to an SDR in accordance with Rule 309(g), and shall include in such creation data the identification of the reporting counterparty. The reporting counterparty will be determined by OSTTRA SEF, if possible, in accordance with Commission Regulation 45.8 (a) – (f) and in the event the counterparties to the Contract are of the same hierarchy level, the ISDA Reporting Party Rules, the relevant portion of which is attached to this Rulebook as Annex 1, and identify to the counterparties which is the reporting counterparty. If OSTTRA SEF is unable to determine the reporting counterparty in accordance with Commission Regulation 45.8(a) – (f) and the ISDA Reporting Party Rules, OSTTRA SEF will identify the buyer of the Contract as the reporting counterparty in the creation data. By executing the Contract on the Facility, the counterparties agree to the use of the ISDA Reporting Party Rules and where necessary, the identification of the buyer as reporting counterparty, and waive the opportunity to agree separately upon a reporting counterparty and to receive notice from OSTTRA SEF, as provided in Commission Regulation 45.8(d) and 45.8(f).

(b) For each Contract executed on or subject to the Rules, the reporting counterparty and/or the relevant DCO is responsible for reporting continuation data to the SDR to which the creation data for the Contract was first reported in accordance with Commission Regulations 45.4 and 45.10.

Rule 317 Direct Electronic Access

No Participant may provide Direct Electronic Access to the Facility to its underlying clients.

Rule 318 Post-Trade Anonymity

(a) Pursuant to the Commission issuing final rule 37.9(d), neither OSTTRA SEF nor any person that is subject to its rules may, directly or indirectly, including through a third-party service provider, disclose the identity of a counterparty for swaps that are executed, pre-arranged or pre-negotiated anonymously on or pursuant to the rules of OSTTRA SEF and that are intended to be submitted for clearing.

(b) The foregoing prohibition shall not apply to package transactions that include a component transaction that is not a swap that is intended to be submitted for clearing.

(c) The compliance date for this Rule for swaps that are subject to the trade execution requirement under section 2(h)(8) of the Act is November 1, 2020. The compliance date for this Rule for swaps that are not subject to the trade execution requirement under section 2(h)(8) of the Act is July 5, 2021.

CHAPTER 4

TRADING STANDARDS

Rule 401 Fraudulent Statements and Acts

(a) No Participant or Customer may engage in or attempt to engage in any fraudulent act, or engage in or attempt to engage in any manipulative device, scheme or artifice to cheat, defraud or deceive, in connection with or related to any transaction on or other activity related to OSTTRA SEF or the Facility.

Rule 402 Abusive Trading Practices

(a) No Participant or Customer shall place or accept bids and offers in the same Contract where the Participant knows or should reasonably know that the purpose of the bid or offer is to avoid taking a bonafide market position exposed to market risk (i.e. wash sales). No Participant shall knowingly execute or accommodate the execution of such bids and offers directly or indirectly.

(b) No Participant or Customer shall engage in trading on the Facility or subject to the Rules for the purpose of passing money or transferring equity from one account to another.

(c) No Participant trading as an Intermediary on behalf of a Customer shall engage in trading ahead of a Customer Order, trading against a Customer Order without the Customer's consent, front running a Customer Order, accommodation trading or improper cross trading.

(d) No Participant entering orders on the Facility shall withhold or withdraw from the market any order, or any part of an order, for the benefit of any person other than the Participant.

(e) No Participant or Customer shall disclose another person's bid or offer except to a designated Facility official or the CFTC, and no Participant or Customer shall solicit or induce another person to disclose bid or offer information. No Participant or Customer shall take action or direct another to take action based on such non-public information, however acquired.

Rule 403 Good Faith Bids/Offers

(a) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer into the Facility other than in good faith for the purpose of executing bona fide transactions.

(b) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer unless such Participant or Customer has sufficient funds to provide the required collateral for the related Contract should the Contract be executed.

Rule 404 Pre-Execution Discussions and Pre-Arranged Transactions

No Participant or Customer shall prearrange or pre-negotiate or non-competitively execute any transaction on the Facility except as follows:

(a) Permitted Transactions executed pursuant to Rule 304 are not subject to this prohibition.

(b) Where a transaction is executed pursuant to Rule 315(i), communications concerning such transaction shall not be considered pre-execution communications prohibited by this Rule 404.

Rule 405 Manipulation and Price Distortion

(a) Any manipulation or attempted manipulation of the price of any Contract is prohibited.

(b) Bids/Offers or Pre-Arranged Crosses entered into a Trading Platform for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited and it shall also be prohibited for any Participant or Customer

to make or assist in entering any such Bid/Offer or Pre-Arranged Cross with knowledge of the purpose thereof or, with such knowledge, to assist in carrying out any plan or scheme for the entering of any such Bid/Offer or Pre-Arranged Cross.

(c) Any other manipulative and disruptive behaviour not otherwise prohibited by the Rules is prohibited to the extent prohibited by the Act or Commission Regulations, including but not limited to Sections 6(c)(1) and (3), 9(a)(2), 4c(a)(5)(A) and (C) of the Act and Commission Regulations 180.1(a) and 180.2.

Rule 406 Disruptive Trading Practices

(a) All bids and offers must be entered for the purpose of executing bona fide transactions. Additionally, all non-actionable messages must be entered in good faith for legitimate purposes.

(1) No Participant or Customer shall enter or cause to be entered a bid, offer, Pre-Arranged Cross or other message with the intent, at the time of order entry, to cancel or modify the bid, offer, Pre-Arranged Cross, or other message before execution or to avoid execution;

(2) No Participant or Customer shall enter or cause to be entered an actionable or non-actionable message with intent to mislead other Participants or Customers.

(3) No Participant or Customer shall enter or cause to be entered an actionable or non-actionable message with intent to overload or delay the systems of the Facility or other Participants or Customer;

(b) No Participant or Customer shall intentionally or recklessly submit or cause to be submitted an actionable or non-actionable message that has the potential to disrupt the systems of the Facility;

(c) No Participant or Customer shall enter or cause to be entered an actionable or non-actionable message with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.

Rule 407 General Offences

It will be an offence for a Participant or Customer to:

(a) to have an interest in, operate or knowingly act on behalf of a bucket-shop, or knowingly make any transaction with a bucket-shop;

(b) engage, or attempt to engage, in fraud or bad faith;

(c) engage in conduct of proceedings inconsistent with just and equitable principles of trade;

(d) engage in dishonorable or uncommercial conduct;

(e) create or report a false or fictitious trade;

(f) extort or attempt extortion;

(g) violate any Rule regarding the conduct or business of a Participant or Customer or any agreement made with OSTTRA SEF;

(h) engage in any act detrimental to OSTTRA SEF's operations or self-regulatory function or OSTTRA SEF's ability to enforce its Rules or is detrimental to the interest or welfare of the Facility or to engage in any conduct which tends to impair the dignity or good name of the Facility;

(i) engage in, or attempt to engage in, the manipulation of prices on the Facility; to intentionally or recklessly use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to

defraud; or to purchase or sell, or offer to purchase or sell on the Facility for the purpose of upsetting the equilibrium of the market or creating a condition in which prices do not or will not reflect fair market values;

(j) make a verbal or written material misstatement to the Board, a committee, or Facility employees;

(k) use or disclose, for any purpose other than the performance of an individual's official duties as a member of any committee or the Board of Directors, any non-public information obtained by reason of participating in any Board of Directors or committee meeting or hearing;

(l) fail to comply with an order of the Board, Facility staff or any hearing committee;

(m) fail to appear before the Board, Facility staff or any investigative or hearing committee at a duly convened hearing, scheduled staff interview or in connection with any investigation;

(n) fail to fully answer all questions or produce all books and records at such hearing or in connection with any investigation, or to make false statements;

(o) fail to produce any books or records requested by duly authorized Facility staff, in the format and medium specified in the request, within 10 days after such request is made or such shorter period of time as determined by the Market Regulation Department in exigent circumstances;

(p) use improperly the trading platform of any Designated Contract Market, Derivatives Clearing Organization, or Swap Execution Facility owned or controlled by OSTTRA Group or permit the unauthorized use of such platforms;

(q) to aid or abet the commission of any offense against the Facility or any violation of an Facility Rule;

(r) for any party to fail to diligently supervise its employees and agents in the conduct of their business relating to the Facility;

(s) engage in conduct in violation of Applicable Law or the rules of any DCO which clears a Cleared Contract in connection with or related to any transaction on or other activity related to the Facility.

Rule 408 Position Limits and Position Accountability

(a) To reduce the potential threat of market manipulation or congestion, the Facility shall adopt for each Contract, as is necessary and appropriate, Position Limits or position accountability levels for speculators.

(b) OSTTRA SEF hereby adopts the Commission's Position Limits for any Contract for which the Commission has adopted a Position Limit. In no event will OSTTRA SEF set its Position Limits at a level higher than the Commission's Position Limits.

(c) For Permitted Transactions, OSTTRA SEF may set and enforce position accountability levels or send the Commission a list of the Permitted Transactions transacted on the Facility.

(d) All Participants and Customers must comply with all OSTTRA SEF and Commission requirements regarding Position Limits or position accountability levels.

(e) Each Participant required to file any report, statement, form or other information with the Commission pursuant to Commission Regulations concerning a Position Limit on any Contract or commodity underlying a Contract must simultaneously file a copy of such report, statement, form or other

information with OSTTRA SEF. Such information shall include, for Participants who are Intermediaries, information concerning the Customers for which transactions are made on the Facility.

(f) Any Participant or Customer who exceeds a OSTTRA SEF or Commission Position Limit by entering into a transaction on the Facility shall be deemed in Violation. In addition, any Participant or Customer entering bids or offers, if accepted, which would cause that Participant or Customer to exceed the applicable OSTTRA SEF or Commission Position Limit, shall be in Violation.

(g) Without limiting any provision of these Rules, OSTTRA SEF shall have the authority to obtain from any Participant or Customer, on request, information with respect to all positions of such Participant or Customer in Contracts which are equivalent, for purposes of OSTTRA SEF or Commission Position Limits, to those transacted in by the Participant on the Facility.

CHAPTER 5

RULE ENFORCEMENT

Rule 501 Jurisdiction

(a) Facility Subject Persons are deemed to know, consent to and be bound by all Facility Rules.

(b) OSTTRA SEF shall have the authority to initiate and conduct investigations, and prosecute Violations committed by Facility Subject Persons, and to impose sanctions for such Violations as provided in these Rules.

(c) OSTTRA SEF shall have Market Regulation Staff review market activity and conduct investigations. Any work related to enforcement matters will be handled by OSTTRA Legal. .

(d) Each Participant and Clearing Firm, upon becoming a Participant and Clearing Firm and thereafter upon any change of address shall file with OSTTRA SEF a written notice designating an address for receiving service of documents. If a Participant or Clearing Firm fails to designate such an address, service by mail to its address on file with OSTTRA SEF shall be good service, and delivery thereof shall be deemed to have occurred as of the date of such mailing.

(e) Former Participants shall be subject to continuing jurisdiction of the Facility, including, without limitation, the application of Rule 206 and 214 with respect to any conduct that occurred while a Participant.

Rule 502 Facility Market Regulation Staff Powers and Duties

(a) It shall be the duty of the Compliance Function to enforce Facility Rules. The Compliance Function shall have the authority to inspect the books and records of all Facility Subject Persons and the authority to require any Facility Subject Person to appear before it to answer questions regarding matters being investigated by Market Regulation Staff, at the time, place and in the manner the Compliance Function designates. The Compliance Function shall be authorized to issue charges at Market Regulation Staff's request. The Compliance Function may also delegate such authority to Market Regulation Staff.

(b) Market Regulation Staff shall conduct investigations of possible Violations, prepare written reports respecting such investigations, and furnish such reports to the Compliance Function. In turn, the Compliance Function may issue charges for such Violations.

(1) An investigation must be commenced upon receipt of a request from any Regulatory Agency, its staff or receipt of information (such as data produced by automated surveillance systems) by OSTTRA SEF that in the judgment of Market Regulation Staff indicates a reasonable basis for finding that a Violation may have occurred or will occur.

(2) Market Regulation Staff is authorized to take recorded interviews. Parties and witnesses being interviewed shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any Facility disciplinary committee, a member of the Board, OSTTRA or OSTTRA SEF employee, or a Person related to the investigation. The failure to appear at a scheduled interview or to answer all of the questions posed during that interview may, in the discretion of the Hearing Panel Chair, result in the Person being prohibited from testifying in a subsequent hearing on the matter.

(3) Market Regulation Staff shall maintain a file once an investigation is initiated. The file shall include any materials in the possession of Market Regulation Staff that are relevant to the conduct being investigated.

(c) Market Regulation Staff shall escalate instances of potential violations to the Compliance Function via an investigation report. Upon receipt of an investigation report, the Compliance Function shall promptly review the report and, take one of the following actions:

(1) Issue charges to the Facility Subject Person alleged to have committed the Violation as set forth in Rule 503 if the Compliance Function determines that a reasonable basis exists for finding that a Violation may have occurred, and disciplinary action is warranted;

(2) Direct Market Regulation Staff to issue a warning letter to the Facility Subject Person if the Compliance Function determines that there may have been a Violation but that no disciplinary action is warranted and if the Facility Subject Person had not been issued a warning letter for the same violation in the previous 12 months;

(3) Direct Market Regulation Staff to conduct further investigation;

(4) Close the matter administratively

(d) OSTTRA SEF shall have the right with reasonable advance notice (unless in furtherance of regulatory purposes in which case without prior notice to Facility Subject Persons), in connection with determining whether all Rules are being, will be, or have been complied with by the Facility Subject Person, to: (i) inspect systems, equipment and software of any kind operated by the Facility Subject Person in connection with accessing, and the Facility Subject Person's transacting on, the Facility, wherever located; (ii) access, either physically or electronically, the systems, equipment, software, and the premises on which the systems, equipment, and software are located, any data stored in any of the systems or equipment, during the regular business hours; and/or (iii) copy or reproduce any data to which OSTTRA SEF has access under this Rule. Each Facility Subject Person shall provide Market Regulation Staff with the same access to its books and records and offices as it is required to provide to OSTTRA SEF under the Rules and Applicable Law.

Rule 503 Notice of Charges

(a) If the Compliance Function issues charges pursuant to Rule 502(c)(1)(ii), the Compliance Function shall direct Market Regulation Staff to serve a notice of charges (a "**Notice of Charges**") on the Facility Subject Person alleged to have been responsible for the Violation (the "**Respondent**"). Such Notice of Charges shall state:

(1) the acts, practices or conduct with which the Respondent is charged;

(2) the Rules allegedly violated and how such acts, practices or conduct constitute a Violation of such Rules;

(3) that the Respondent is entitled, upon written request filed with OSTTRA SEF, within twenty-one (21) days of service of the Notice of Charges, to a formal hearing on the charges;

(4) that the failure of the Respondent to request a hearing within twenty-one (21) days of service of the Notice of Charges, except for good cause shown, shall be deemed a waiver of its right to a hearing; and

(5) A Respondent shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any Facility disciplinary committee, a member of the Board, OSTTRA or OSTTRA SEF employee, or a Person related to the investigation.

(b) If a Respondent fails to submit a written Answer to the charges pursuant to Rule 504, or answers but fails to deny the charges, Market Regulation Staff may serve the respondent with a motion for default and a request for sanctions. The motion for default shall request that a Hearing Panel Chair find that the respondent is deemed to have admitted the charges, and the request for sanctions shall request that a Hearing Panel impose sanctions on the admitted charges. A copy of the motion for default and request for

sanctions shall also be filed with the OSTTRA Group Legal Department, which serves as counsel to the Hearing Panel.

(1) The Respondent shall have twenty-one (21) days from notice to respond to the motion for default and request for sanctions. Thereafter, the Respondent will be provided at least seven (7) days' notice of the date of a hearing to consider the motion for default and request for sanctions. The Respondent shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any Facility disciplinary committee, a member of the Board, OSTTRA or OSTTRA SEF employee, or a Person related to the investigation.

(2) At the hearing, based on the written filings of the parties, except where the Hearing Panel Chair determines that oral argument is necessary, the Hearing Panel Chair will first decide if the Respondent has failed to answer the charges in accordance with Rule 504, and, if so, the Respondent shall be deemed to have admitted the charges. If the Hearing Panel Chair finds that the Respondent has admitted the charges, the Respondent will be deemed to have waived his right to a hearing on the merits of the charges, the Hearing Panel shall find that the violations alleged in the Notice have been committed, and the Hearing Panel will then determine the sanctions, if any, to be imposed, after permitting both parties to present arguments and information regarding the appropriate nature and amount of any such sanctions.

(3) If the Answer contains both an admission to one or more charges and a denial of one or more charges, the Hearing Panel will consider the penalties which may be imposed for the admitted charges at the same time that the charges denied by the Respondent are considered.

(4) If the Hearing Panel Chair does not find that the Respondent has failed to answer the charges, no further action on the charges will occur at the hearing.

(5) Decisions on the Motion for Default and the sanctions imposed shall be issued in accordance with Rule 510.

Rule 504 Answer; Request for Hearing; Failure to Answer or Deny Charges

(a) The Respondent shall serve on the Compliance Function a written answer (an "**Answer**") to the Notice of Charges and a written request for a hearing on the charges within twenty-one (21) days of the date of service of the Notice of Charges. The Answer must include a statement that the Respondent admits, denies, or does not have and is unable to obtain sufficient information to deny each allegation. A statement of lack of sufficient information shall have the effect of a denial of the allegation.

(b) The Respondent's failure to file an Answer within twenty-one (21) days of the Notice of Charges shall be deemed an admission of all allegations contained in the Notice of Charges.

(c) The Respondent's failure to expressly deny a particular charge contained in the Notice of Charges shall be deemed an admission of such acts, practices or conduct.

(d) The Respondent's failure to request a hearing within twenty-one (21) days of the Notice of Charges, absent good cause shown, shall be deemed a waiver of Respondent's right to a hearing.

Rule 505 Selection of Hearing Panel

(a) Formal hearings on any Notice shall be conducted by the Hearing Panel selected by the Board. The Hearing Panel shall consist of five (5) Panelists. One Panelist shall serve as the chair of the Hearing Panel ("**Hearing Panel Chair**"). A quorum of the Hearing Panel shall consist of a majority of the Hearing Panel and must include at least the Hearing Panel Chair, one Panelist who is a Facility Subject Person, and one Panelist who is not a Facility Subject Person. The Hearing Panel may not include any members of Market Regulation Staff, any person involved in adjudicating any other stage of the same proceeding, or any person with a history of disciplinary offenses that would be disqualifying under CFTC

Regulation § 1.63(c). The Hearing Panel shall include sufficient different Participant interests so as to ensure fairness and to prevent special treatment or preference for any person.

(b) The Hearing Panel Chair, in his or her sole discretion, shall set a date for the hearing (the "**Hearing Date**").

(c) For contested hearings, the Hearing Panel Chair shall notify Compliance, Market Regulation Staff and the Respondent of the Hearing Date and the names of the members of the Hearing Panel at least fifteen (15) days prior to the Hearing Date.

(d) No member of the Hearing Panel shall hear a case in which that member has a direct financial, personal or other interest in the matter under consideration.

Rule 506 Hearing Panel Authority

(a) The Hearing Panel shall have: 1) jurisdiction over any party subject to the jurisdiction of the Facility, including any Participant, with respect to matters relating to business conduct, trading practices, sales practices, trading ethics and market manipulations or other actions that threaten the integrity of the market; 2) the authority, pursuant to Rule 104, to take emergency actions; 3) the authority to conduct hearings, proceedings and appeals on all matters over which it has jurisdiction; 4) the authority to make findings on Violations against any Facility Subject Person subject to the jurisdiction of the Facility; and 5) the authority to levy sanctions.

(b) All information, records, and documents provided to the Hearing Panel, and all related records, materials, deliberation, testimony and documents shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further a OSTTRA SEF investigation or as required by Applicable Law.

Rule 507 Challenge to Members of the Hearing Panel for a Contested Hearing

Within ten (10) days after service on the Respondent and Market Regulation Staff of notice of the Hearing Date and names of the members of the Hearing Panel, the Respondent or Market Regulation Staff may challenge, in writing submitted to the Hearing Panel Chair, the inclusion of any Panelist for cause, including without limitation, if the member has a direct financial, personal or other interest in the matter under consideration. The Hearing Panel Chair may then excuse such Panelist and direct that an alternate Panelist be appointed. In the sole discretion of the Hearing Panel Chair, the hearing may be conducted with less than a full Hearing Panel provided a quorum exists. If said written challenge is not received within such ten (10) day period, absent good cause shown, any such right to challenge is deemed waived.

Rule 508 Settlement Prior to Commencement of Hearing

(a) Prior to the commencement of the Hearing, the Hearing Panel may consider a written offer of settlement from the Respondent, whereby the Respondent, without either admitting or denying any Violations, may agree to any of the actions listed in Rule 511.

(b) The Respondent must consent to entry of findings by the Hearing Panel regarding the conduct and Rule violations at issue, to the penalty to be imposed, and to the effective date of the penalty.

(c) The Respondent may submit the offer only if Market Regulation Staff supports it. The offer must be accompanied by a written supporting statement from Market Regulation Staff to be considered by the Hearing Panel.

(d) The Hearing Panel Chair shall notify Compliance, Market Regulation Staff, and the Respondent of the names of the individuals originally appointed to the Hearing Panel to consider respondent's settlement offer at least seven (7) days in advance of the originally scheduled Hearing Date. Parties to the hearing may request the Hearing Panel Chair to strike any Panelist for good cause shown. The Hearing Panel Chair may then excuse such Panelist and direct that an alternate Panelist be appointed.

In the sole discretion of the Hearing Panel Chair, the hearing may be conducted with less than a full Hearing Panel provided a quorum exists.

(e) In the event any Panelist is added, the Hearing Panel Chair shall provide all parties reasonable notice regarding the new Panelist. The addition of a new Panelist will not delay the scheduled hearing date unless the Panelist is added less than five (5) days in advance of the scheduled hearing and a party can demonstrate good cause for the requested delay.

(f) If the Hearing Panel accepts an offer of settlement, it must issue a written decision specifying each Violation it has reason to believe was committed, including the basis for the Hearing Panel's conclusions. The sanctions must include full counterparty restitution where counterparty harm is demonstrated, except where the amount of restitution or to whom it should be provided cannot be reasonably determined. Where applicable, the decision must include a statement that the Respondent has accepted the sanctions imposed without either admitting or denying any Violations. Any sanctions imposed pursuant to an offer of settlement must take into account the Respondent's disciplinary history. The decision shall be final on the date it is signed by the Hearing Panel Chair, and unless otherwise ordered by the Panel, it shall become effective two (2) business days after it becomes final.

(g) If the Panel rejects an offer of settlement, the respondent will be notified of the rejection and it will be deemed withdrawn.

(h) The Respondent may withdraw an offer of settlement at any time prior to the start of the Hearing before the Hearing Panel. If an offer is withdrawn after submission, or is rejected by the Hearing Panel, the Respondent may not be deemed to have made any admissions by reason of the offer of settlement and may not be otherwise prejudiced by having submitted the offer of settlement. No statements made or documents exchanged by the parties solely in the context of a withdrawn or rejected offer of settlement or during any settlement negotiations shall be admissible in any contested hearing.

(i) Any subsequent offers of settlement shall be heard by the same Hearing Panel; however, alternate Panelists may be appointed in the event of scheduling conflicts. Any contested hearing following an offer of settlement not accepted by the Hearing Panel will be heard by a new Hearing Panel.

(j) In submitting an offer of settlement, the Respondent waives his right to a contested hearing and to appeal the Hearing Panel’s decision if the offer is accepted; the Respondent also waives any claim of bias or pre-judgement on the part of the Hearing Panel.

Rule 509 Pre-Hearing and Hearing Procedures

(a) In every instance where a Respondent has requested a hearing on a charge that is denied, or on a sanction set by the Hearing Panel, the Respondent will have the opportunity to contest a charge in a hearing in accordance with the procedures of this Rule.

(1) Any party to a contested hearing may, following the filing of an Answer to the charges, request the appointment of a Hearing Panel Chair prior to the hearing for the purpose of resolving pre-trial disputes. The matters that may be raised before the Hearing Panel Chair include, without limitation:

(i) scope and timing of fact discovery;

(ii) scope and timing of expert discovery;

(iii) allocation of discovery costs;

(iv) use and disclosure of demonstratives;

(v) requests to alter timing requirements set forth in these Rules; or

(vi) scheduling of the contested hearing.

(2) The Hearing Panel Chair may hold a pre-trial conference to address these issues or may, in his discretion, resolve them on written submissions by the parties.

(3) The Hearing Panel Chair shall have the authority to issue non-monetary sanctions against any party or legal counsel or other representative who fails to comply with an order of the Chair or who engages in vexatious, frivolous, or bad faith conduct. Such sanctions may include drawing adverse inferences or excluding legal argument, evidence or other submissions. Sanctions may not include entry of a default judgment. The Hearing Panel Chair must allow both parties to make written submissions on the issue prior to imposing any sanction.

(4) The Hearing Panel shall have the authority to decide all procedural and evidentiary matters and all pre-hearing motions, and the Hearing Panel Chair's decision shall be final.

(5) No motions to dismiss any or all of the charges or any other dispositive motion may be filed.

(6) Any pre-hearing motion must be submitted in writing to the parties and Hearing Panel counsel at least twenty-one (21) days in advance of the scheduled hearing. The opposing party shall submit a response, if any, within seven (7) days of receipt of any pre-hearing motion. No reply papers are permitted. The Hearing Panel Chair, in his sole discretion, may hold oral argument on any motion or may decide any motion on the written submissions of the parties.

(b) The Hearing Panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:

(1) The hearing must be fair and must be promptly convened after reasonable notice to the Respondent.

(2) The Hearing Panel or the Hearing Panel Chair shall have the power to compel any party subject to its jurisdiction to attend, testify, and/or produce evidence in connection with the hearing.

(3) The prosecution shall be conducted by Market Regulation Staff.

(4) The Respondent shall be allowed to appear at the hearing, and to be represented by legal counsel or any other representative of its choosing other than a member of any Facility disciplinary committee, a member of the Board, an employee or OSTTRA SEF or OSTTRA or a Person related to the investigation and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses.

(5) Market Regulation Staff and the Respondent shall deliver to each other a statement listing the witnesses expected to be called and the documents expected to be introduced into evidence, together with copies of such documents, at least twenty-eight (28) days prior to the Hearing Date or as the Hearing Panel may reasonably specify.

(i) To the extent expert witnesses are expected to be called by either party, such party shall provide to the other, 28 days prior to the date of the hearing, a summary of the expert's opinions to be offered at the hearing and the basis and/or methodology underlying such opinions. In addition, the expert's credentials (e.g., a *curriculum vitae*) and all documents or other materials on which the expert relied in forming his opinions shall be produced to the other party at the same time. For purposes of this provision, Market Regulation Staff or other OSTTRA SEF or OSTTRA employee shall not be considered experts. The Panel may decline to consider any expert testimony beyond the scope of the submitted summary.

(ii) Unless the Hearing Panel, in its discretion, waives compliance with this requirement, no witness may testify and no documentary evidence may be introduced into evidence unless listed in and, in the case of documents, furnished with such statement. On written request, Market Regulation Staff shall provide the Respondent with access to all books, documents or other tangible evidence in the possession or under the control of OSTTRA SEF, which are to be relied upon by Market Regulation Staff or which are relevant to the charges; provided, however, that protected attorney work product, attorney-client communications and investigative work product, including the investigation report, are neither discoverable by a Respondent nor subject to review by a Respondent as part of the investigation file.

(iii) Market Regulation Staff is not required to produce or obtain any documents that are not in its possession. A Respondent who seeks documents that are not in the possession of Market Regulation Staff may request the documents from the custodian of such documents. Upon a showing of good cause, the Respondent may petition the Hearing Panel Chair, in writing, for an order compelling the production of documents by a custodian, provided that the custodian is subject to the jurisdiction of the Facility, the custodian has refused voluntarily to provide the documents and the documents are relevant to the charges. Market Regulation Staff or the custodian may object, in whole or in part, to any such petition.

(6) OSTTRA SEF shall require that persons within its jurisdiction who are called as witnesses participate in the hearing and produce evidence and will make reasonable efforts to secure the appearance of all other persons called as witnesses whose testimony would be relevant. Failure by a Facility Subject Person to so participate and produce evidence when requested by OSTTRA SEF shall be a Violation.

(i) The hearing may proceed in the absence of a Respondent who, after due notice, fails to appear. However, the failure to appear is not a default if the Respondent has filed a written Answer denying the charges issued. Accordingly, Market Regulation Staff still bears the burden of proof and must present evidence to meet that burden.

(7) Formal rules of evidence shall not apply. The parties may offer such evidence as is relevant to the charges at issue. The Hearing Panel Chair shall determine the admissibility of evidence offered and may exclude evidence that he deems irrelevant or cumulative. The Hearing Panel Chair has the discretion to vary the structure and presentation of evidence to make the hearing as efficient as possible. The parties may submit stipulated facts in order to make the hearing more efficient.

(8) Neither Market Regulation Staff, the Respondent, any witnesses testifying before the Hearing Panel nor any other person within the Facility's jurisdiction shall engage in conduct that may impede the progress of a hearing or the fair and just resolution of the subject matter thereof, and any such conduct may itself constitute a Violation.

(9) Ex parte contacts by any of the parties with members of the Hearing Panel shall not be permitted.

(10) A recording, or other substantially verbatim record of the hearing, shall be made by Market Regulation Staff and become part of the record of the proceeding. If a respondent requests a transcript, he shall be solely responsible for the cost of producing the transcript. No other means of recording the proceedings will be permitted absent written agreement of the parties or pursuant to an order of the Hearing Panel Chair.

(11) All testimony and documents produced in connection with a disciplinary hearing, including but not limited to the Notice, the Answer, and any stenographic transcript of the hearing, shall be deemed non-public and confidential and shall not be disclosed except in connection with proceedings resulting from that hearing or as required by law. All these documents shall constitute the record of the hearing (the "Hearing Record").

(12) The burden of proof shall be on the prosecution to prove a Violation by a preponderance of the evidence. A finding of a Violation shall be made by majority vote based on the Hearing Panel's decision as to the weight of the evidence contained in the Hearing Record.

(13) In a separate sanctioning phase, which shall proceed immediately upon the conclusion of the evidence and determination of the Hearing Panel absent any exceptional circumstances as determined by the Hearing Panel Chair, the Hearing Panel must allow both parties to present arguments and information regarding the appropriate nature and amount of a sanction prior to determining such sanction.

(14) All sanctions imposed by the Hearing Panel must be commensurate with the Violations committed and must be clearly sufficient to deter additional similar Violations by the Respondent and similar Violations by other Facility Subject Persons. All sanctions must take into account the Respondent's disciplinary history. In the event of demonstrated counterparty harm, any sanctions must include full counterparty restitution, except where the amount of restitution or to whom it should be provided cannot be reasonably determined.

(15) A Respondent that is found not guilty shall not again be charged with or tried for the same underlying conduct.

(16) Hearing Panel decisions shall be final on the date it is signed by the Hearing Panel Chair. The decision shall become the final decision of the OSTTRA SEF.

Rule 510 Written Decision of Hearing Panel

(a) Promptly following a hearing conducted in accordance with Chapter 5 of the Rules, the Hearing Panel shall render a written decision based upon the weight of evidence in the Hearing Record and must provide a copy to the Respondent and Market Regulation Staff within thirty (30) days of such decision.

(b) The written decision shall include:

(1) the name of the Respondent;

(2) the Notice of Charges or a summary of the charges alleged in the Notice of Charges;

(3) the Answer, if any, or a summary of the Answer;

(4) a brief summary of the evidence produced at the hearing;

(5) a statement of the findings and reasoned conclusions of the Hearing Panel with respect to each charge, including the specific Rules which the Respondent is found to have violated;

(6) a declaration of any penalty imposed and the effective date of such penalty; and

(7) a statement of the availability, if any, of an appeal of the decision within the Facility or to the Commodity Futures Trading Commission.

(c) The Hearing Panel shall take into consideration the Respondent's disciplinary history prior to imposing any disciplinary sanctions.

(d) OSTTRA SEF shall also provide a summary of the written decision to the NFA through BASIC.

(e) If OSTTRA SEF suspends or revokes the Trading Privileges or Customer or Clearing Firm status of the Respondent, or otherwise disciplines the Respondent, it must publicly publish and maintain on its website the information contained in the written notice pursuant to Rule 510(b).

Rule 511 Hearing Panel Sanctions

(a) If the Hearing Panel finds that a party, including a Participant, has violated a Rule, the Hearing Panel may take one or more of the following actions:

(1) Order the party to cease and desist from the conduct found to be in violation of these Rules or from conduct which would violate the rules of the Facility, or the Commodity Exchange Act;

(2) Order a party to liquidate such portion of the open contracts as the Panel deems appropriate to ensure the integrity of contracts listed on the Facility or to ensure an orderly and liquid market;

(3) Restrict the ability of the party to have a business affiliation with, be employed by, or have a financial or beneficial interest in a Participant;

(4) Restrict, suspend, or terminate the party's access to the Facility or right to supervise the entry of any orders by others on the Facility;

(5) Restrict the party's ability to trade, place, enter, accept, or solicit orders in any or all products of the Facility;

(6) Suspend any or all of the Participant privileges as a Trading Privilege Holder as defined in Rules 105 and 514;

(7) Expel the Participant from membership in the Facility;

(8) Impose a fine upon the party not to exceed $5,000,000 per violation;

(9) Order a party to disgorge any monetary benefit resulting from a violation of a Facility Rule whether by that party or another party. For purposes of this provision, benefit includes, without limitation, profit, whether realized or unrealized, and avoided losses;

(10) Prescribe limitations on positions of the party as may be appropriate, including issuing an order that no Clearing Firm accept new positions on behalf of any such party;

(11) Impose advertising restrictions upon the Participant pursuant to these Rules;

(12) Order a party to make restitution to the account of anyone damaged by the conduct, or to the Clearing Firm who has previously made restitution to the account of such party;

(13) Order such action as is necessary to prevent a threat to the contract or violation of the Commodity Exchange Act or Facility Rules; and/or

(14) With the approval of Market Regulation Staff and the party, order any other sanction or undertaking to address or deter the underlying violative conduct pursuant to a supported offer of settlement.

(b) When determining whether to impose any of the sanctions listed above, the Hearing Panel may consider any factors determined by the Hearing Panel to be relevant in the context of a particular case, including any of the factors described in the "Sanctioning Guidance to Self-Regulatory Organizations" in the CFTC Policy Statement Relating to the Commission's Authority to Impose Civil Money Penalties and Futures Self-Regulatory Organizations' Authority to Impose Sanctions: Penalty Guidelines (1994).

Rule 512 Liability for Expenses

Any Respondent that, after notice and opportunity for hearing, has been found to have committed a Violation may, in the discretion of the Hearing Panel appointed in the matter, be required to pay to OSTTRA SEF an amount equal to any and all reasonable and documented out-of-pocket expenses incurred by OSTTRA SEF in connection with the prosecution of such Violations, in addition to any fine or other monetary sanction that may be imposed upon such Respondent by virtue of the Violations found by the Hearing Panel. In addition, the Hearing Panel may also levy fees upon legal counsel engaging in vexatious and frivolous conduct.

Rule 513 Conflicts of Interest

(a) *Abstention Requirements:* A member of any charging, or adjudicating committee, or any such disciplinary panel, must abstain from participating in any matter where such member:

(1) Is a witness, potential witness, or a party;
(2) Is an employer, employee or co-worker of a witness, potential witness, or a party;
(3) Is associated with a witness, potential witness, or a party through a broker association as defined in Facility Rules;
(4) Has any significant personal or business relationship with a witness, potential witness, or a party, not including relationships limited to (a) executing futures or options, or swaps transactions opposite each other, or (b) clearing futures or options, or swaps transactions through the same clearing member; or
(5) Has a familial relationship to a witness, potential witness, or a party.

(b) *Disclosure of Relationship:*
(1) Prior to the consideration of any matter involving a subject, each member of a charging or adjudicating committee, or any such disciplinary panel, must disclose to the appropriate Facility staff whether he or she has one of the relationships listed above.
(2) In its sole discretion, OSTTRA SEF staff shall determine whether any member of the committee or panel is required to abstain in any matter.

Rule 514 Summary Suspension

(a) *General.* Where the Chief Compliance Officer ("CCO") reasonably believes immediate action is necessary to protect the best interest of the market place, after consultation with the Regulatory Oversight Committee ("ROC"), if applicable, may summarily suspend, revoke, limit, condition, restrict, or qualify Facility Subject Persons' access to the Facility.

(b) *Notice and Hearings*.

(1) The Facility Subject Person against whom such summary action is taken pursuant to paragraph (a) this Rule 514 shall be served with a notice of the action. The notice shall state the action taken, the reasons for the action, the effective date and time, and the duration of the action.

(2) The Facility Subject Person, within ten (10) days of receiving this notice, may request a hearing before the Hearing Panel pursuant to the procedures of Rule 510. Such a request should be submitted in writing to Market Regulation Staff and will not stay the CCO's decision to deny access.

(3) The Facility Subject Person shall have the right to representation, at their own cost, by legal counsel or anyone other than a member of any Facility disciplinary committee, a member of the Board, a OSTTRA or OSTTRA SEF employee, or a Person related to the investigation.

(4) The Hearing Panel shall conduct a de novo hearing solely on the issue of the denial of access in accordance with the procedures in Rule 510.

(5) Promptly following the hearing, the Hearing Panel shall render a written decision based upon the weight of the evidence in the record and shall provide a copy to the Facility Subject Person. The decision shall include a description of the summary action taken, the reasons for the summary action, a summary of the evidence produced at the hearing, a statement of findings and conclusions, a determination that the summary action should be affirmed, modified or reversed, a declaration of any action to be taken pursuant to the determination, and the effective date and duration of the action.

(6) The Hearing Panel shall not set aside, modify, or amend the summary action taken against a Facility Subject Person unless it determines, by a majority vote, that the summary action taken was:

(i) Arbitrary, capricious, or an abuse of CCO's discretion; or

(ii) In excess of the CCO's authority or jurisdiction.

Rule 515 Extension of Time Limits

Any time limit provided for in Rule 504, and Rule 509 may be extended by mutual consent of the Respondent and Market Regulation Staff, or by the Hearing Panel Chair.

Rule 516 Summary Fines

(a) Notwithstanding any other provision of this Chapter 5, Market Regulation Staff, at the direction of the Compliance Function, shall have the authority to impose summary fines on Facility Subject Persons without the need for any formal disciplinary procedures with respect to Violations of any Rule listed in this Rule 516. Pursuant to Rule 202(a)(2), a Participant that is an Intermediary may be held responsible for a Violation by its Customer. Investigations of possible Violations of any Rule listed in Table 1 shall be conducted in accordance with Rule 502, but otherwise actions taken pursuant to this Rule 516 shall be made in accordance with the procedures set forth in this Rule 516 rather than the procedures set forth in the remainder of this Chapter 5. The authority to impose a summary fine under this Rule 516 does not prevent the Compliance Function from issuing charges for a Violation of any rule listed in this Rule 516 in accordance with Rule 502. Table 1 below lists the permissible actions that Market Regulation Staff may impose:

Table 1

Action Taken Per each Violation in a Rolling 12-month period				
Rule Violated	**First Violation**	**Second Violation**	**Third Violation**	**Fourth Violation**
Rule 204(i)	Warning Letter	$2,000	$5,000	Referral to the Compliance Function for consideration of charges
Rules 210, 211	Warning Letter or a	Fine of up to $2,000.	Fine of up to $5,000.	Referral to the Compliance Function for consideration of charges

	fine of up to $1,000.			

Action Taken Per each Violation	
Rules 201(b)(3), 203(a), 208, 210(f)(1), 302	**All Violations**
	Warning Letter, a fine of up to $7,000, or a Referral to the Compliance Function for consideration of charges

(b) For purposes of imposing fines pursuant to this Rule 516, Market Regulation Staff shall review all the facts and circumstances prior to determining whether a Violation occurred and may aggregate individual Violations and treat such Violations as a single offense.

(c) Market Regulation Staff shall set the amount of any fine imposed pursuant to this Rule 516, with the maximum aggregate fine for Violations of the same Rule, or subsection thereof, imposed by Market Regulation Staff not to exceed $7,000 in a rolling 12-month period. If, in any case, Market Regulation Staff suspects that there is an additional Violation, Market Regulation Staff shall present an investigation report concerning the matter to the Compliance Function in accordance with Rule 502.

(d) *Notice and Hearings*.

(1) The Facility Subject Person against whom such summary action is taken pursuant to this Rule 516 shall be served with a notice of the action. The notice shall state the action taken, the reasons for the action, the amount of any fine imposed for each Violation, and the date by which the action becomes final (and any fine must be paid).

(2) If the Facility Subject Person desires to contest a fine, it must notify Market Regulation Staff within ten (10) days of notice of the fine and bring forth mitigating evidence which demonstrates why the fine should be rescinded or reduced. Market Regulation Staff shall issue a notice of its determination consistent with Rule 516(d)(1).

(3) The Facility Subject Person may contest Market Regulation Staff's determination by submitting a written request to Market Regulation Staff for a hearing before the Hearing Panel. Any such request must be submitted to Market Regulation Staff on or before the date specified by Market Regulation Staff in its determination.

(4) The hearing will be held pursuant to the process outlined in Rule 510.

(e) Promptly following the hearing, the Hearing Panel shall render a written decision based upon the weight of the evidence in the record and shall provide a copy to the Facility Subject Person. The decision shall include a description of the summary action taken, the reasons for the summary action, a summary of the evidence produced at the hearing, a statement of findings and conclusions, a determination

that the summary action should be affirmed, modified or reversed, a declaration of any action to be taken pursuant to the determination, and the effective date and duration of the action.

(f) The Hearing Panel shall not set aside, modify, or amend the summary action taken against a Participant unless it determines, by a majority vote, that the summary action taken was:

(1) Arbitrary, capricious, or an abuse of Market Regulation Staff's discretion; or

(2) In excess of Market Regulation Staff's authority or jurisdiction

Rule 517 Effect of Suspension

(a) Unless otherwise determined by the Hearing Panel with jurisdiction over such matters, a suspended Participant or Customer of OSTTRA SEF shall not be entitled to any Trading Privileges during the period of such suspension, including but not limited to, the right to:

1. access any trading floor, Facility or Services owned or controlled by OSTTRA Group;
2. obtain Participant or Customer rates; and
3. have any additional applicable cross-exchange trading privileges.

(b) For avoidance of doubt, in the event that the Hearing Panel of any of the with jurisdiction over such matters determines that any member of OSTTRA Group owned or controlled exchange(s) should be suspended of their privileges of membership, those suspended members that are also OSTTRA SEF Participants shall be deemed suspended from participating on OSTTRA SEF during the period of such suspension.

(c) A Participant or Customer that has been suspended may not authorize another party to utilize its Trading Privileges on OSTTRA SEF or on any exchange owned or controlled by OSTTRA Group and must relinquish its Trading Privileges within 30 days of the date that the suspension becomes the final decision of the Hearing Panel.

Rule 518 Payments of Disciplinary Fines, Disgorgement Orders and Restitution

(a) Disciplinary fines, disgorgement, and restitution amounts levied pursuant to Facility Rules must be submitted to Market Regulation Staff no later than the date specified in the notice of decision. An individual or entity who fails to provide proof of payment within the time prescribed shall not be entitled to access the Facility until the payment has been received. Any party that fails to make the required payment shall immediately forfeit eligibility for any Facility incentive or rebate program until the amount is paid in full. Any party that fails to pay a disciplinary fine, disgorgement order, or restitution amount within the prescribed time period may also be subject to sanctions pursuant to Rule 211.

(b) Facility Subject Persons may, subject to a determination by the Facility, be liable for unpaid fines or unpaid disgorgement orders and restitution amounts imposed upon their employees.

CHAPTER 6

CONTRACTS TO BE TRADED

Rule 601 Listing Procedures

Any Trading Privilege Holder may propose to OSTTRA SEF the listing of a Swap on the Facility by submitting a listing application to OSTTRA SEF. The Chief Executive Officer shall have authority, subject to complying with Rule 602 and to objectively justifiable commercial criteria, to submit the contract to the Commission, either with a request for prior approval, or with a self-certification.

Rule 602 Swaps Not Readily Susceptible to Manipulation

Before the Chief Executive Officer submits a Swap to the Commission for prior approval or with a self-certification, the Chief Compliance Officer shall determine that the Swap is not readily susceptible to manipulation, and shall submit to the Commission the following information required by Appendix C to Part 38 of Commission Regulations to show that the Swap complies with Core Principle 3:

(a) For cash-settled Swaps, documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions, is highly regarded by industry/market agents, and is publicly available on a timely basis.

(b) Where an independent, private-sector third party calculates the referenced price index, verification that the third party utilises business practices that minimise the opportunity or incentive to manipulate the cash settlement prices included in the index.

(c) Where OSTTRA SEF generates the cash settlement prices included in the index, information demonstrating that the calculation procedures safeguard against potential attempts to artificially influence the price, and a description of how the calculation procedures eliminate or reduce the impact of potentially unrepresentative data.

(d) Appropriate speculative limits to prevent manipulation.

(e) Procedures for intraday market restrictions that pause or halt trading in the event of extraordinary price moves that may result in distorted prices.

CHAPTER 7

GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION

Rule 701 Choice of Law

The laws of England and Wales, without regard to its conflict of laws principles, will govern this Rulebook and all disputes arising out of or related to OSTTRA SEF, the Facility or any transaction on the Facility.

Rule 702 Disputes Among Trading Privilege Holders, Authorised Traders, Authorised Trading Firms and Customers

All disputes between and among Facility Subject Persons that arise out of or relate to OSTTRA SEF or the Facility or any transaction that was made or attempted to be made on the Facility shall be resolved exclusively in the courts of England and Wales, save for in the following circumstance:

(1) if all parties to the dispute are members or associates of the NFA, the dispute will be resolved in NFA Member Arbitration; or

(2) if all parties separately agree to another forum, the dispute will be resolved in the other forum.

Rule 703 Complaints to and Disputes With OSTTRA SEF

(a) Any Facility Subject Persons that are dissatisfied with the Facility may make a complaint in writing to the Head of Compliance EMEA, OSTTRA SEF, London Fruit and Wool Exchange, 1 Duval Square, London E1 6PW, United Kingdom. Details of OSTTRA SEF's complaints management policy are available here.

(b) Subject to Rule 102, all disputes between and among OSTTRA SEF on the one hand, and Facility Subject Persons on the other hand, that arise out of or relate to the Facility, or any transaction that was made or attempted to be made on the Facility, shall be resolved exclusively in the courts of England and Wales. Suit on any such dispute must be brought within one year from the time the cause of action has accrued.

(c) Any current or former Facility Subject Person who does not substantially prevail in a lawsuit or any other type of legal proceeding instituted in a court of law or otherwise against OSTTRA SEF or any of its officers, directors, committee members, volunteers, employees or agents, shall pay to OSTTRA SEF any and all reasonable expenses and disbursements, including reasonable attorneys' fees, incurred by OSTTRA SEF to defend such lawsuit or proceeding.

CHAPTER 8

CONTRACT SPECIFICATIONS

Rule 801 NDF Product Descriptions

Trading Hours

The trading hours for all Swaps governed by this Rule 801 are as follows:

- Shield
- Order Book: Not Available
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: Available 24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT).

Products — Rule 801:

(1) Non Deliverable Forwards ("**NDFs**")

Product Specifications

NDFs are forward contracts with no physical delivery of the underlying product pair, often on non-convertible currencies or are traded on currencies with very little liquidity in the market place. These derivatives allow corporates and other investors to hedge or take positions on movements in the underlying products without actually dealing in the underlying products.

A (notional) principle amount, forward exchange rate and forward date are all agreed at the deal's inception. The difference is that there will be no physical transfer of the principle amount in the transaction. The deal is agreed on the basis that net settlement will be made in USD, or another fully convertible currency, to reflect any differential between the agreed forward rate and the actual exchange rate on the agreed forward date. It is a cash-settled outright forward.

The demand for NDFs arises principally out of regulatory and liquidity issues in the underlying product, where overseas players are essentially barred from access to the domestic market or market participants do not wish to transact in the underlying.

When an NDF deal is contracted, a fixing methodology is agreed, which includes the following methodology:

1. Outright. Under the standard outright NDF contract a fixing spot rate is determined on the fixing date, which is normally two working days before settlement, to reflect the spot value.

The fixing spot rate is based on the reference page on either Reuters or Bloomberg. Settlement is made in the major currency, paid to or by the client, and reflects the differential between the agreed upon non-deliverable forward rate and the fixing spot rate.

The NDF is quoted using foreign exchange forward market convention, with two way prices quoted as bid/offer pips, at a premium or discount to the prevailing spot market. As with a normal forward transaction, the market user either buys or sells the NDF, depending on the position to be hedged or according to the view of the underlying product.

NDFs are used for a variety of risk management purposes, including as a tool to hedge the risk of forward currency convertibility, which can result from a number of factors, including credit risk, sovereign risk, regulatory restrictions, or lack of settlement procedures. NDFs are typically utilized by banks, multinational

corporations, investment managers, and proprietary traders to hedge risk in the underlying products. NDFs are also used as a tool to facilitate locking in the enhanced yields of emerging market currencies.

Products		
CLP	KRW	TWD
PEN	INR	PHP
COP	IDR	CNY
BRL	MYR	KZT
EGP	NGN	MZN
AOA	XOF	

Holiday Calendar

- USD, KRW, MYR, TWD, IDR, PHP, CNY, INR, CLP, PEN, COP, KZT, EGP, NGN, MZN, AOA, XOF
  - Spot Value date must be a Good USD Day and Good Local Day. If not, it will be the next calendar day that is a good day on both calendars. "**Good Local Day**" is a local business day which is not a bank holiday and during which there are no local political events that may impact the operations of a fixing source for any of the products in the pair. "**Good USD Day**" is a US business day which is not a bank holiday and during which there are no local political events that may impact the operations of a fixing source for any of the products in the pair. For avoidance of doubt, Saturdays and Sundays are not considered Good Local Days, Good USD Days or Good UK Days, as defined below.
  - Fixing date must be a Good Local Day. Should the Fixing Date fall on a weekend or local holiday, it will be the prior Good Local Day. Additionally, for Latin American NDFs (CLP, COP, PEN, and BRL), USD holidays are treated as local holidays for purposes of fixing date calculations.
  - Settlement Date must be Good Local Day and Good USD Day. Should the Settlement Date fall on a weekend, a local holiday or a USD holiday, it will be the next calendar day that is a good day on both calendars.
  - Transactions in these products offered on the central limit order book are subject to the specified Value Date and Fixing date requirements. Transactions in these or other products included in the table above that are offered through a risk mitigation service may be subject to other Value and Fixing dates outlined by the risk mitigation service.

Components

- Notional
  - This is the "face value" of the NDF, which is agreed between the two counterparties*
- Spot value date
  - This is the day upon which the settlement date for rolling NDFs is calculated. It is usually one or two days after the trade date, depending on the product convention.
- Fixing date
  - This is the day and time whereby the comparison between the NDF rate and the prevailing spot rate is made*
- Settlement date (or delivery date)
  - This is the day when the difference is paid or received. It is usually one or two business days after the fixing date*
- Publish date
  - For CLP only refers to the publish date as one day after the fixing date
- Contracted NDF rate
  - The rate agreed on the transaction date, and is essentially the outright forward rate of the currencies dealt
- Effective date
  - The date which the NDF contract takes effect, usually the trade date

- Tenor
  - The duration of time from the Effective Date to the Fixing Date. Tenors can be of any duration greater than 0 years up to 2 years.

Clearing

- NDFs traded on OSTTRA SEF are not submitted for clearing by OSTTRA SEF.

Rule 802 Interest Rate Swaps Products Descriptions

Trading Hours

Unless otherwise indicated in a Swap's specifications, the trading hours for all Swaps governed by this Rule 802 are as follows:

- Order Book: Not Available
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: 24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT).

Products — Rule 802:

(1) Fixed for Floating IRS

(2) Basis Swaps

(3) Forward Rate Agreements (FRA)

(4) Non Deliverables Swaps (NDS)

(5) Inflation Swaps

(6) Single Period Swaps

Rule 802(1) — Fixed for Floating IRS
A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies		
AUD	JPY	USD
EUR	SEK	ZAR
GBP	MYR	CHF
HKD	NZD	DKK
CZK	HUF	PLN
NOK		

Specifications
Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

Swap Leg Conventions

- The terms of Fixed versus Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - Monthly, Quarterly, Semi-Annual
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it

will be the next day that is a business day on both calendars.

- Fixed Rate
    - The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark

AUD-BBSW
EUR-EURIBOR
EUR-ESTRGBP-SONIA
HKD-HIBOR
JPY-TONA
MYR-KLIBOR
NZD-BKBM FRA
USD-SOFR
ZAR-JIBAR

Effective Date
- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type
- Spot Starting
    - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
    - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.

Maturity Date
- The final date until which Fixed and Floating amounts accrue

Tenor
- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
    - Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 50 years.
    - Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

Roll Day Convention
- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

Floating Reset Dates
- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

First Period Fixing Date

- For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.
- For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days

Stub Period Rate

- For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (knows as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

Trade Types

- The Platform may support the following trade types:

    - Outrights
        - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed fate and payer of the floating rate.

    - Switches or Spreads
        - Is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).

    - Butterflies

Butterflies are a combination of two spreads/switches (e.g. 2 year by 5 year by 10 year).Contract Size

- Minimum notional size is dependent on currency and tenor

Quoting Convention

- Outrights

    - The interest rate yield quoted is dependent on currency
    - Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights

Final Settlement Price

- Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:
    - Fixed Leg
        - Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
    - Floating Leg
        - Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention and Floating Reset Dates.

Clearing

- All Contracts are eligible to be cleared at LCH.SwapClear, EUREX, JSCC, CME and ASX. Please see clearable contract definitions at https://www.lseg.com/en/post-trade/clearing/lch-

services/swapclear, https://www.eurex.com/ec-en/clear/eurex-otc-clear, https://www.jpx.co.jp/jscc/en/cash/irs/product.html, http://www.cmegroup.com/, and http://www.asx.com.au/services/clearing/asx-clear-futures.htm.

Rule 802(2) — Basis Swaps
A Basis Swap is an Interest Rate Swap for which settlement is in the form of periodic floating interest payments and periodic floating interest payments based on interest rate benchmarks over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies		
USD		
EUR		

Specifications
Trading Conventions
- Buyer (Payer) pays floating interest rate plus/minus a spread and receives floating interest rate.
- Seller (Receiver) receives floating interest rate plus/minus a spread and pays floating interest rate.

Swap Leg Conventions
- The terms of Basis Swaps are based on a number of combinations of the criteria below.
  - Floating Leg 1
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - Money Market Basis (actual/360), actual/365, actual/actual, actual/366, 360/360, 30/360, 30E/360 or AFI/365
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars. If not, it will be the next day that is a business day on both calendars.
    - Floating Rate
      - The floating interest rate yield or basis points on Trade Date
  - Floating Leg 2
    - Reset Frequency
      - Monthly, Quarterly, Semi-Annual or Annually
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual
    - Holiday Calendar.
      - Applied in accordance for the currency denoted for the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates
  - Business days in this convention must be valid business days on both calendars
  - If not, it will be the next day that is a business day on calendars.
    - Floating Rate
      - The floating interest rate yield or basis points on Trade Date

  - Interest Rate Benchmark

- EURIBOR, ESTR, SOFR, FED FUNDS. The Interest Rate Benchmarks are applied as the observed rate for the payment frequency of the transaction. In the case where the observed rates are shorter than the payment frequency, such as SOFR, ESTR, FED FUNDS either a weighted average of the observed daily rates over the Tenor is used in determining the Floating Rate Payment, or a compounding of the rates to make the floating rate payment. This is shown by the difference in SOFR as either a weighted average over the Tenor ("SOFR-Weighted Average") or as compounded over the Tenor ("SOFR-Compound).

Effective Date

- The first date from which floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.

Maturity Date

- The final date until which floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

Tenor

- The duration of time from the Effective Date to the Maturity Date. The SEF will support Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also referred to as On-the-Run, are whole calendar year Spot Starting or Same Day Starting Swaps with a Tenor of 1 through 50 years.
- Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.

Roll Day Convention

- The date used for determining all Floating Reset Dates (other than for Daily Overnight Rates (as defined below), which are daily rates). Roll Days define the beginning and end of Floating interest accrual periods.
- For On-the-Run swaps, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run swaps, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period and is the date on which a Reset Rate takes effect (other than for Daily Overnight Rates, which are daily rates).
  - Note: Subject to good local days – as with all instruments, will never roll forward to the following month.

Floating Reset Dates

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the swap. Except in the case of a Stub Period or in the case of any Daily Overnight Rate leg, the Reset Date is 2 business days (USD or EUR) prior to the Roll Day for that interest accrual period. In the case of any Daily Overnight Rate leg, the Reset Date is the day prior to the Roll Day that ends the interest accrual period.

First Period Fixing Date

- For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating Rates (other than with respect to Overnight Rates), for which the Floating Rates are not ascertainable at such time.
- For Forward Starting swaps, the Floating Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date (other than with respect to Daily Overnight Rates, for which the Floating Rates are not ascertainable at such time).

Stub Period Rate

- For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (knows as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back. This is not applicable to Daily Overnight Rates, which are daily rates.

Daily Overnight Rate Legs:

- Certain swap legs use daily overnight interest rates observed on business days during the interest accrual period ("Daily Overnight Rates"). Those interest rates may compounded over the interest accrual period (e.g., SOFR-Compound) or use a weighted average of the observed rates (e.g., FED FUNDS, SOFR-Weighted Average). As a result, the rate applicable to the relevant interest accrual period cannot be determined until the end of that period and certain conventions applicable to accruals where the rate is set in advance do not apply.

Trade Types

- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the Floating Rate 1 plus/minus a spread and receiver of the Floating Rate 2 and the other party is the receiver of the Floating Rate 1 plus/minus a spread and payer of the Floating Rate 2.
  - Switches
    - Switches are the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

Instrument minimum and incremental Size.

- Minimum notional size is dependent on currency and tenor

Quoting Convention

- Outrights are quoted in interest rate yield is dependent on currency.
- Spreads and Butterflies are quoted in interest rate yield differential in minimum 1/10th basis point increments.
  - Spot Starting
    - Close of business on Trade Date.
  - Forward Starting
    - Close of business three business days prior to the Effective Date of the swap.

Clearing

All Contracts are eligible to be cleared at LCH.SwapClear and EUREX. Please see clearable contract definitions at https://www.lseg.com/en/post-trade/clearing/lch-services/swapclear and https://www.eurex.com/ec-en/clear/eurex-otc-clear.

Rule 802(3) — Forward Rate Agreement (FRA)

A Forward Rate Agreement is an Interest Rate Swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on an interest rate benchmark to be paid or received on an obligation beginning at a future start date. The interest rate payments are exchanged based on a notional amount.

Currencies	
AED	NOK
CZK	PLN
DKK	SAR
EUR	SEK
HUF	

Specifications

Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

Swap Leg Conventions

- The terms of FRAs are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Once
    - Day Count Convention
      - Money Market Basis (actual/360), or actual/365, 30/360, 30E/360, AFI/360, 360/360
    - Holiday Calendar
      - Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country. If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - Once
    - Day Count Convention
      - Money Market Basis (actual/360), or actual/365, 30/360, 30E/360, AFI/360, 360/360
    - Holiday Calendar
      - Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country. If not, it will be the next day that is a business day on both respective country holiday calendars.

- Interest Rate Benchmark
  - EURIBOR, PRIBOR, CIBOR2, BUBOR, NIBOR, WIBOR, STIBOR

Effective Date
- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type
- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.

Maturity Date
- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

Tenor
- The duration of time from the Effective Date to the Maturity Date Tenors will be support for any duration greater than 0 month to 12 months.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of an integer number of months.
- Other Tenors means any Tenors other than the Listed Tenors.

Floating Reset Dates
- Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.

First Period Fixing Date
- The Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date

Trade Types
- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Switches also known as Spreads
    - These are the simultaneous purchase and sale of two different Tenors of the yield curve (e.g.3x6 by 9x12).

Instrument minimum and incremental Size.
- Minimum notional size is dependent on currency and tenor

Quoting Convention
- Outrights are quoted in interest rate yield is dependent on currency.
- Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights

Last Trading Day
- Spot Starting

- Close of business on Trade Date.

- Forward Starting
  - Close of business three business days prior to the Effective Date of the swap.

Clearing

All Contracts are eligible to be cleared at LCH.SwapClear, EUREX. Please see clearable contract definitions at https://www.lseg.com/en/post-trade/clearing/lch-services/swapclear and https://www.eurex.com/ec-en/clear/eurex-otc-clear.

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- Eurex does not provide express or implied warranties or representations to swap counterparties executing Swaps on the Facility's platform relating to any of the services or facilities provided by the Facility, including but not limited to, the warranties of merchantability and fitness for a particular purpose or use. Eurex shall not have any liability or obligation to any swap counterparty using the Facility's platform.

Rule 802(4) — Non Deliverable Swaps

An ND IRS trade has many trade terms. For example, notional amount, fixed interest rate, floating rate, reference rate, holiday convention, etc. The deal is agreed on the basis that net settlement will be made in USD, or another fully convertible currency, to reflect any differential between the agreed fixed rate and the actual floating rate on the settlement dates. ND IRS are quoted as Offer/Bid. For ND IRS the fixed leg is quoted, hence it is Fixed Income Swap.

ND IRS

- An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate (most often the SOFR). The interest rate cash flows are net settled in a major currency on fixing date. A company will typically use interest rate swaps to limit or manage exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate than it would have been able to get without the swap.
- Interest rate swaps are simply the exchange of one set of cash flows (based on interest rate specifications) for another. Because they trade OTC, they are really just contracts set up between two or more parties, and thus can be customized in any number of ways.

Currencies	
MYR	CNY
KRW	

Specifications

Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

Swap Leg Conventions

- The terms of Non Deliverable Swaps are based on a number of combinations of the criteria below.
    - Fixed Leg
        - Payment Frequency
            - Weekly, Monthly, Quarterly, Semi-Annually, or Annually
        - Day Count Convention
            - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual
        - Holiday Calendar
            - Applied in accordance for the country currency denoted for the instrument
        - Business Day Convention
            - Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
        - Fixed Rate
            - The traded interest rate yield or basis points on Trade Date
    - Floating Leg
        - Reset Frequency
            - Weekly, Monthly or Quarterly
        - Day Count Convention

- Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual
- Holiday Calendar
  - Applied in accordance for the country currency denoted for the instrument
- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark
  - KLIBOR
  - CNY-Fixing Repo Rate
  - KRW-CD 91D

Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type

- Spot Starting.
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.

Maturity Date

- The final date until which Fixed and Floating amounts accrue

Tenor

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration, greater than 0 months to 3 months.

Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
  - For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date.
  - For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention
- Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

Trade Types

- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed fate and payer of the floating rate.

Clearing

- Non Deliverable Swaps traded on OSTTRA SEF are generally not cleared; however, Contracts for KRW are clearable at the election of the counterparties on the Effective Date.

Rule 802(5) — Inflation Swaps

The buyer of an inflation swap pays a fixed interest rate and receives the agreed floating inflation rate:

- Tenor
- Fixed Rate (Traded Price)
- Inflation Rate benchmark – this can be any inflation benchmark that settles in the listed currencies
- Optional forward start

Currencies	
GBP	
EUR	
USD	

Specifications

Payment Frequency
- The payment frequency will be an agreed, valid, calendar integer

Day Count Convention
- ACT/360
- ACT/365
- 360/360
- 30/360
- 30E/360
- AFI/365
- ACT/361
- ACT/ACT

Holiday Calendar Conventions
- NEW YORK
- LONDON
- EUROPE

Business Day Conventions
- Modified
- Modified Following

Effective Date
- The effective date will be a valid business day

Maturity Date
- Effective date + tenor of swap

Tenors
- 0 – 10 years inclusive

Roll Dates
- 0 – 10 years inclusive

Fixing Dates
- The fixing date(s) will be a valid calendar day

Settlement
- Are cash settled in line with the payment frequency

Contract Size
- Minimum and Incremental Sizes
  - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
  - There is no minimum incremental size for instruments in this category

Quoting Convention
- Inflation Swaps are all quoted in basis points

Benchmark Interest Rates
- Inflation Swaps will be limited to all or a subset of the following underlying benchmark indices:

EUR-EXT-CPI

GBP-UKRPI-BBA

USD-USCPI-BBA

FRC-EXT-CPI

Minimum and Incremental Price

- There is no minimum price
- There is no minimum incremental price

Clearing

- Contracts are eligible to be cleared at LCH.SwapClear. Please see clearable contract definitions at https://www.lseg.com/en/post-trade/clearing/lch-services/swapclear

Rule 802 (6) — Overnight Index Swaps

<table>
<tr><th>Contract Specification</th><th>Details</th></tr>
<tr><td>Product Description</td><td>An Overnight Index Swap is an interest rate swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on a measure of an overnight index over every day of the payment period. These payments are exchanged based on a notional amount.</td></tr>
<tr><td>Currencies</td><td>
<table>
<tr><th colspan="7">Available Currencies</th></tr>
<tr><td>USD</td><td>GBP</td><td>CHF</td><td>EUR</td><td>JPY</td><td>SGP</td><td></td></tr>
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</table>
</td></tr>
<tr><td>Trading Conventions</td><td>

Buyer (Payer) pays fixed interest rate and receives floating interest rate.
Seller (Receiver) receives fixed interest rate and pays floating interest rate.

</td></tr>
<tr><td>Swap Leg Conventions</td><td>

The terms of Overnight Index Swaps are based on a number of combinations of the criteria below.

Fixed Leg

Payment Frequency
Term and Annual
Day Count Convention
Money Market Basis (actual/360) for USD, CHF, and EUR; Actual/365(fixed) for GBP, SGP and JPY
Holiday Calendar
Applied in accordance with the country relating to the currency of the Contract.
Business Day Convention
Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country. If not, it will be the next day that is a business day on both calendars.
Fixed Rate
The traded interest rate yield or basis points on the trade date.

Floating Leg

Payment Frequency
Term and Annual
Reset Frequency
Daily
Day Count Convention
Money Market Basis (actual/360) for USD, CHF, and EUR; Actual/365 (fixed) for GBP, SGP and JPY.
Holiday Calendar
Applied in accordance with the country relating to the currency of the Contract.
Business Day Convention

</td></tr>
</table>

	○ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country. If not, it will be the next day that is a business day on both respective country holiday calendars. ● Interest Rate Benchmark <u>Index and Currency</u> SONIA – GBP EuroSTR- EUR FedFunds- USD SOFR – USD SARON – CHF TONA – JPY SORA - SGP
Effective Date	○ The date on which accrued obligations are calculated. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.
Trade Start Type	○ Prior Starting – The Effective Date of the Contract occurs prior to the trade date. ○ Spot Starting – The Effective Date of the Contract is the trade date. ○ Forward Starting – The Effective Date of the Contract occurs after the trade date.
Maturity Date	○ The final date until which Fixed and Floating amounts accrue as agreed by the parties. The Maturity Date may also be referred to as the Termination Date or End Date.
Tenor	○ The duration of time from the Effective Date to the Maturity Date.
Floating Reset Dates	○ Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Contract.
Fixing Date	○ The Fixed Rate for the interest period is fixed on the Effective Date, and the Floating Rate for the interest period is determined on the Maturity Date by the daily compounded fixing rates from the Effective Date to the Maturity Date.
Trade Types	● Outrights ▪ An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate. ● Switches also known as Spreads ▪ These are the simultaneous purchase and sale of two different Tenors of the yield curve.
Settlement Terms	● Bilateral settlement is performed in USD, GBP, CHF, EUR, SGPor JPY.
Minimum and Incremental size	● Minimum notional size is dependent on currency. ● Block Trades – Minimum notional size as stated by the Commission and increments are dependent on currency and tenor.
Minimum Price Fluctuation / Price Tick Size	● The minimum price change is 0.00001

Quoting Convention	● Outrights are quoted in interest rate yield is dependent on currency. ● Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.
Last Trading Day / Time	● Close of business on Trade Date.
Trading Months	● Any calendar month.
Trading Hours	● Order Book: Not Available ● Voice RFQ: Not Available. ● All Pre-Arranged Crosses: 24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT).
Settlement Date	● Settlement Date is the Maturity Date.
Contract Size	● As agreed by the parties.
Position Limits	● Not Applicable.
Reportable Levels	● Not Applicable.
Clearing	● Depending on eligibility, Overnight Index Swaps may be cleared at LCH, Eurex, CME and JSCC.

Rule 803 FX Options Products Descriptions

Trading Hours

The trading hours for all Contracts governed by this Rule 803 are as follows:

- Order Book: Not Available
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: 24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT).

Products — Rule 803:

(1) Foreign Exchange Options (FX Options)

Contract Specification	Details
Product Description	FX Option: a transaction in which the buyer has the right, but not the obligation, to buy (call option) or sell (put option) a fixed amount of foreign exchange at a fixed exchange rate agreed by the parties for a specified time period.
Reference & Settlement Currencies	

Reference Currency	Counter Currency	Settlement Currency	Units of Trading
EUR	USD	USD	EUR
GBP	USD	USD	GBP
EUR	GBP	GBP	EUR
USD	JPY	USD	USD
EUR	JPY	EUR	EUR
USD	CHF	USD	USD
USD	CAD	CAD	USD
AUD	USD	AUD	AUD
USD	MXN	USD	USD
USD	CNH	USD	USD
USD	INR	USD	USD
USD	SGD	USD	USD
NZD	USD	NZD	NZD
USD	HKD	USD	USD
BRL	USD	USD	USD
MXN	USD	USD	USD
USD	ZAR	USD	USD
EUR	SEK	EUR	EUR
EUR	CHF	EUR	EUR

	USD / KRW / USD / USD USD / TWD / USD / USD EUR / HUF / EUR / EUR
Notional Amount	As agreed by the parties
Option Style	European
Option Premium	As agreed by the parties
Premium Payment	Spot date relative to option trade date
Trading Hours	Order Book: Not Available Pre-Arranged Crosses: 24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT)
Quotation	The price quotation is determined as a decimal number with up to five decimal places
Units of Trading	See current currency list above.
Expiration Date and Time	As agreed by the parties
Settlement Terms	Bilateral settlement performed in Settlement Currency
Settlement Date	Settlement Date – Spot date relative to Expiration Date (if option is exercised)
Minimum Price Fluctuation/Price Tick Size	The minimum price change is 0.0001
Settlement Price	N/A
Strike Prices	As agreed by the parties
Contract Size	As agreed by the parties
Maturity Date	As agreed by the parties
Exercise	Manual. Exercise decision is determined by the buyer of the option.
Last Trading Day / Time	Not Applicable
Trading Conventions	a. Buyer of the option has the right, but not the obligation to buy (call option) or sell (put option) the Reference Currency b. Seller of the option must sell (call) or buy (put) the Reference Currency if exercised by the option buyer
Block Size	1 million notional units of Reference Currency; 2 million units minimum trade size
Position Limits	Not Applicable
Reportable Levels	All FX Option trades are reported
Clearing	FX Options are not cleared

CHAPTER 9
SYSTEM PROTOCOLS

Rule 901 [Reserved]

Rule 902 [Reserved]

Rule 903 Pre-Arranged Crossing System Protocol

Glossary

Access Details	The non-transferable, confidential personal user identifiers and all passwords issued by the Facility to each Authorised Trader.
Erroneous Bids/Offers	Any Bid/Offer which does not meet the requirements set out in this System Protocol.
System API	The application programing interface authorized by OSTTRA SEF for accessing the System.
System	The Shield-based Pre-Arranged Crossing Platform.
System Supervisor	The market support team of the System.

(a) **General Rules**

(1) This System Protocol is part of the Facility Rulebook. In the event of a conflict between this System Protocol and the Facility Rulebook, this System Protocol shall take precedence. All capitalized terms not otherwise defined in this System Protocol shall have the meanings ascribed to them in the Facility Rulebook.

(2) The System offers a Pre-Arranged Cross platform for all Swaps that are listed by the Facility. The Facility may at any time expand or alter the Swaps offered for trading on the System pursuant to Commission Regulations.

(b) **Participation**

(1) In addition to the requirements set forth in the Facility Rulebook, Participants must have in place adequate measures and arrangements to prevent the submission of Erroneous Bids/Offers to the System.

(2) A Participant's Authorised Traders will be deemed eligible to trade all Swaps offered for trading on the System unless the Participant specifies otherwise.

(c) **Access Method**

(1) Participants may access the System through the System API.

(2) Participants may request assistance with the System API via email or phone from OSTTRA SEF customer service representatives.

(d) **Trading Calendar and Hours of Operation**

(1) Participant shall not enter Bids/Offers into the System outside of the hours of operation of the System as stated by the Facility. Any such Bids/Offers will be invalid and any resultant trades treated as Error trades.

(2) The trading hours for the System are Sunday 3:00 PM EST to Friday 5:30 PM EST. The System is closed for trading on holidays determined and notified by the Facility.

(e) **Orders – Registration of Orders**

(1) Participants shall enter Bids/Offers by entering Bids/Offers directly through the System API.

(f) **System Functionality**

(1) All Bids/Offers are matched once both orders have been inputted into the System.

ANNEX 1 Reporting Counterparty Rules

Relevant Portions of Reporting Counterparty Rules

(a) The ISDA Reporting Party Rules are set forth below by asset class:

(1) Credit:

(i) Where both parties are the same hierarchy level (e.g., Major Swap Participant vs. Major Swap Participant, Swap Dealer vs. Swap Dealer, or non-Swap Dealer/Major Swap Participant vs. non-Swap Dealer/Major Swap Participant), the reporting counterparty is the floating rate payer (a/k/a 'seller'). For swaptions, the reporting counterparty is the floating rate payer of the underlying swap.

(ii) For real time reporting of step-in novations, the reporting counterparty should be determined between the transferor and transferee based on the above and the position of the transferee. So, if both parties are of the same classification and the transferee is the seller (floating rate payer) in the novated transaction, the transferee is the reporting counterparty. If the transferee is the buyer (fixed rate payer), then the transferor is the reporting counterparty.

(iii) For novated transactions, the reporting counterparty should be reassessed between the transferee and remaining party based on the above.

(2) Rates:

(i) Product Attribute Determination

Reporting Counterparty Tiebreaker Logic - Rates		
Trade Type	Explanation	Reporting Counterparty
Cap/ Floor	**When a single Fixed Rate Payer exists**	**Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/pre-LEI**
Debt Option	**All**	**Option Buyer**
Exotic[1]	**All**	**Reverse ASCII sort, first LEI/pre-LEI**
FRA	**All**	**Fixed Rate Payer**
IRS Basis	**All**	**Reverse ASCII sort, first LEI/pre-LEI**
IRS Fix-Fix	**All**	**Reverse ASCII sort, first LEI/pre-LEI**
IRS Fix-Float	**All**	**Fixed Rate Payer**
IRSwap: Inflation	**When a single Fixed Rate Payer exists**	**Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/pre-LEI**
IRSwap: OIS	**All**	**Fixed Rate Payer**
Swaption	**All**	**Option Buyer**
XCCY Basis	**All**	**Reverse ASCII sort, first LEI/pre-LEI**
XCCY Fix-Fix	**All**	**Reverse ASCII sort, first LEI/pre-LEI**
XCCY Fix-Float	**All**	**Fixed Rate Payer**

[1] Cancellable Swaps are categorized as "Exotic" in line with the work completed in partnership with several supervisory authorities in March 2010 - G14 firms committed to drive a high level of product, processing and legal standardization in each asset class with a goal of securing operational efficiency, and mitigating operational risk. The resulting standardization documents are located on ISDA's website at http://www2.isda.org/attachment/Mzk3Mg==/Standardization%20Legend%20for%20Rates.

(i) (ii) Tiebreaker Logic: When the LEI/pre-LEI tiebreaker is invoked the following processes will be used:

A. Identifier Tiebreaker Logic Scenarios

(aa) When only one firm has an LEI/pre-LEI then the party with the LEI/pre-LEI is the reporting counterparty.

(bb) When both firms have an LEI/pre-LEI then determine based on comparison of the two LEI/pre-LEIs in accordance with the below.

B. Determining sort order of identifiers

(aa) LEI/pre-LEI are comprised of characters from the following set {0-9, A-Z}.

(bb) For avoidance of doubt, before comparing IDs convert all IDs to UPPER CASE only.

(cc) For comparison basis the sort order will be reverse ASCII sort order. For avoidance of doubt the following are sort order of precedence:

i. Z, Y, X, W, V, U, T, S, R, Q, P, O, N, M, L, K, J, I, H, G, F, E, D, C, B, A, 9, 8, 7, 6, 5, 4, 3, 2, 1, 0.

C. When comparing two IDs the reporting counterparty will be the firm with the first ID in the list when sorted in reverse ASCII sort order.

(2) Equity: When both parties are of the same hierarchy level, the reporting counterparty will be the:

(i) Seller of performance on any product in the current version of the OTC Derivatives Products Taxonomies published by ISDA, which is attached as Attachment 1 to this Annex 1 (the "Taxonomy").

(ii) Seller of product on all other (exotic) products in the Taxonomy.

(iii) If seller cannot be identified the fall back would be for the parties to agree amongst themselves.

(iv) For portfolio swaps agreements (PSA's) the seller will remain the seller regardless of the underlying's performance.

For the avoidance of doubt, if the trade is confirmed via negative affirmation, the provider of the negative affirmation agreement is the reporting counterparty.

(3) Commodities

(i) A seller convention applies if the executed trade is one of the trade types enumerated in the table below. Otherwise, the LEIs of the parties should be compared in standard ASCII order and the party with the first ID in the list will be the reporting counterparty.

reporting counterparty Tiebreaker Logic –Commodities		
Trade Type	**Explanation**	**Reporting Party**
Fixed Floating Swap	Seller of the Fixed leg = Reporting Party	Fixed leg seller (Receiver of Cash on the fixed leg)
Option	Receiver of premium payment or Option writer	Seller
Swaption	Receiver of premium payment or swaption writer	Seller
Option Strategies (Collars, Corridors, Multi-leg)	Premium receiver is the Seller = Reporting Party	Premium Receiver
	If no premium, go to alpha convention	Go to alpha convention
For trade types not listed above		
Seller convention with Alpha	Any trade that falls outside of that list will have the alphanumer ic ASCII convent ion applied based on the LEI. The LEI selected as the reporting counterparty will be the LEI at the top of that sort order. As an example, ASCII is the same sort logic that MS Excel applies.	

(4) FX

(i) When asset class tie-breaker logic needs to be applied:

A. For cash trades: The reporting counterparty is the counterparty selling the currency that occurs first in the 26-letter English alphabet.

B. For options: The reporting counterparty is the seller of the option.

Reporting counterparty Tie Breaker Logic – FX		
Taxonomy	Rule	Comment
Forward	FX Cash Rule	For FX Swaps, the Reporting Party of both legs of the swap would be determined by applying the Cash Rule to the far-leg of the Swap
NDF	FX Cash Rule	n/a
Option	Option Seller Rule	n/a
NDO	Option Seller Rule	n/a
Simple Exotic	Option Seller Rule	n/a
Complex Exotic	See comment	For a complex exotic product where there is an unambiguous seller of the product, then Option Seller Rule would apply. The seller determination would be driven by the seller as agreed in the standard FpML representation of the product. IF there is no clear seller, then the FX Cash Rule would apply.

For more information see:
http://www.gfma.org/uploadedfiles/initiatives/foreign_exchange_(fx)/determiningreportingpartyunderdoddfrank.pdf

Attachment 1

See ISDA OTC Derivatives Products Taxonomies (UPI) (Updated September 2019) for specifications.