

TRADITION (UK) LIMITED
TRADe TRADING PLATFORM

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CHAPTER 1 - GENERAL PROVISIONS

1 Definitions and Interpretation

In these rules, the following expressions shall have the meanings set out below:

Appeals Panel	means a panel which shall be responsible for disciplinary matters and which shall comprise one (1) representative appointed by Tradition and a minimum of two (2) independent representatives, not affiliated with Tradition or any Member involved in the disciplinary matter;
Board	means the board of directors of Tradition;
Eligibility Criteria	means the criteria for the time being set by Tradition which determine eligibility to become a Member and participate in the System;
Financial Products	means the instruments admitted to trading on the Platform from time to time and as described in more detail in the Financial Product Appendix to these Rules;
Insolvency Event	means, in relation to any Member: <ul style="list-style-type: none"> (a) that an order is made by a court of competent jurisdiction, or a resolution is passed, for the liquidation, bankruptcy or administration of such Member or a notice of appointment of a bankruptcy trustee or administrator of such Member is filed with a court of competent jurisdiction; (b) the appointment of a manager, receiver, administrative receiver, administrator, trustee or other similar officer of such Member or in respect of any part or any of its assets; (c) such Member convenes a meeting of its creditors generally or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors generally (otherwise than in the course of a reorganisation or restructuring previously approved in writing by Tradition); (d) such Member is unable to pay its debts as they become due or admits in writing its inability to pay its debts as they are due or is insolvent; (e) a petition is presented for the winding up of the Member, provided that an Insolvency Event shall not have occurred due to the filing of winding-up petition which is discharged, stayed or dismissed within thirty (30) days of commencement; or (f) any action occurs in respect of any Member in

any jurisdiction which is analogous to any of those set out in sub-paragraphs (a), (b), (c), (d) or (e) immediately above;

FCA	means the Financial Conduct Authority of the UK, or any successor, substituted or replacement authority in the UK;
Market Abuse	has the meaning given to it in section 118 of the Financial Services and Markets Act 2000;
Member	means a person who has been admitted to membership pursuant to the rules set out in Chapter 2;
MiFID	means the Markets in Financial Instruments Directive (2004/39/EC);
Platform	means the commodities market operated by Tradition using the Trayport system;
Rules	means these rules as the same may be amended, varied, extended, supplemented or replaced from time to time;
System	means the electronic trading system operated and administered by Tradition for the purpose of the Platform;
Trading Day	means a day on which the Platform is open for business other than a day which is a public holiday in the relevant jurisdiction;
Tradition	means Tradition Financial Services Limited;
Tradition Group Company	means all subsidiary undertakings and parent undertakings of Tradition as well as any subsidiary undertakings of such parent undertakings and “parent undertaking” and “subsidiary undertaking” have the respective meanings ascribed to them in section 1162 of the Companies Act 2006; and
UK	means the United Kingdom of Great Britain and Northern Ireland

References to statutes, statutory instruments, rules of a regulatory authority or provisions thereof shall be construed as references to any of the foregoing as they may be amended, extended varied or replaced from time to time.

Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa.

Financial Product Appendices to these Rules form part of, and are subject to, these Rules.

2 Application

- 2.1 These Rules set out the terms and conditions which shall apply to participation in and trading on the Platform for all Members in order to ensure orderly operation of the relevant market(s) operated by Tradition.
- 2.2 The Platform enables Members to participate in trading Financial Products by means of the System.

3 Amendments

- 3.1 Subject to the remaining provisions of this Rule 3, Tradition has the right to amend, extend, vary or supplement the Rules from time to time to the extent necessary or desirable in light of prevailing market conditions.
- 3.2 Members shall be notified of any changes at least five Trading Days prior to the effective date thereof, other than those required to be made without delay by law or regulation or unless a short-term action of Tradition becomes necessary due to particular market conditions.
- 3.3 If any modification of the Rules materially adversely affects the rights or obligations of any Member, that Member may, within five Trading Days of being notified of such modification, resign its participation and cease to be a Member by giving notice in writing to Tradition.
- 3.4 Any amendments, extensions, variations or supplements to the Rules shall be notified to Members by way of a circular setting out the announcement of Tradition sent to Members electronically via e-mail (to the email address notified by the Member to Tradition from time to time) and posted on the Tradition website.

4 The Platform

- 4.1 The Platform enables Members admitted to trading to enter into Financial Product transactions by use of the System in the manner provided in the Rules.
- 4.2 The System will display all prices and automatically selects the best price in terms of highest bid and lowest offer prices and if there are two identical bid or offer prices then priority will strictly be given to the earlier price submitted to the System. A price is valid in accordance with its particular order type, as may be set out in the applicable Financial Product Appendix from time to time.
- 4.3 Parties to Financial Product transactions shall remain anonymous to Members on the System prior to the matching of a trade, but immediately following execution of a trade the Members who are party to that trade shall be made known to one another by electronic confirmations from the System to the relevant Members' systems ('straight-through-processing').

5 Governing Law and Jurisdiction

- 5.1 These Rules shall be construed and applied in accordance with English law.
- 5.2 Except where these Rules provide expressly to the contrary, any dispute between a Member and Tradition concerning these Rules, any transaction effected pursuant to these Rules, and any non-contractual obligations arising out of or in connection with these Rules, shall be governed by the laws of England and Wales and all such matters and disputes related to the same shall be subject to the exclusive jurisdiction of the English courts, to which all Members submit.

CHAPTER 2 - PARTICIPATION IN THE PLATFORM

1 Application Procedure

- 1.1 Applications for admission to participate in the Platform shall be made through the submission to Tradition of an application pack.
- 1.2 The application must include all supporting information as stipulated in the application form, failing which the application will be returned to the applicant firm and will not be processed until fully completed.
- 1.3 All applications shall be determined by Tradition and complete applications will, in normal circumstances, be determined within 10 Trading Days of receipt.
- 1.4 An applicant may appeal a decision made by Tradition pursuant to Rule 1.3 above by serving a notice of appeal in writing to the Board at Tradition, Beaufort House, 15 St Botolph Street, London, EC3A 7QX, United Kingdom within 10 Trading Days of a notice under Chapter 2, Rule 1.3 above. The notice of appeal should specify clearly the grounds upon which the applicant is appealing and the reasons why it believes it should be admitted to membership. Upon receipt of such notice, the Board shall consider the grounds of appeal stated in the notice of appeal together with the representations submitted by Tradition to the Board. The Board shall determine the matter within 30 days of receipt of the notice of appeal and the Board's decision shall be final.

2 Eligibility

- 2.1 An application for admission to membership of the Platform will only be considered if the applicant meets the following requirements:
 - (a) the applicant:
 - (i) Is an EEA regulated investment firm or credit institution (as defined under MiFID); or
 - (ii) is licensed and supervised by a financial market supervisory authority in its country of domicile, and pursuant to the applicable laws of that country be a bank (authorised to conduct deposit taking business) or have a status equivalent to that of a full scope BIPRU firm; or
 - (iii) has the suitable background and experience and meets the criteria of being classified as a Professional Client under FCA Rules (COBS 3.5.1) or equivalent in another jurisdiction, at all times; and
 - (b) the applicant must have technical and organisational facilities sufficient for the orderly settlement of Financial Product transactions to be assured and the technical requirements for connection to the System must be met. Tradition must be satisfied that the applicant has or will have sufficiently completed conformance testing prior to conducting business on the Platform; and
 - (c) the applicant must not be subject to an Insolvency Event; and
 - (d) the applicant must have accepted Tradition's standard terms of business and entered such agreements with Tradition as it may specify in relation to the applicant's membership of the Platform; and

- (e) to facilitate the supervision of Members, a reasonable exchange of information between the FCA and any relevant foreign supervisory authorities must be possible.

3 Members Obligations

- 3.1 Each Member will be responsible for all orders and actions taken on its account by its officers, employees and agents.
- 3.2 A Member must at all times have adequate systems and controls to minimise the risk of error in relation to trades submitted to the Platform and to ensure that its conduct on the Platform complies with these Rules.
- 3.3 All Members are responsible for ensuring that their staff are adequately trained to use the Platform and that they are properly supervised when using the Platform.
- 3.4 Members must not, in respect of any of their business on the Platform:
 - (a) commit any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price of, any Financial Product; or
 - (b) do or engage in any act or course of conduct which is likely to harm the integrity or stability of the System.
- 3.5 A Member must inform Tradition without delay if:
 - (a) it or any of its respective trading employees is unable to comply with the Rules;
 - (b) an Insolvency Event occurs in relation to it;
 - (c) it commits a material breach of these Rules, upon becoming aware thereof; or
 - (d) it ceases to meet any of the Eligibility Criteria.
- 3.6 Members are responsible for retaining records of all trades entered into on the Platform for a minimum of 5 years;
- 3.7 Members are responsible for ensuring that, with respect to trading, relevant digital flows are recorded and records are maintained for a minimum of 5 years;
- 3.8 Members must continue to meet the Eligibility Criteria at all times whilst a Member.
- 3.9 Specific Member obligations in relation to particular Financial Product types shall be set out in the applicable Financial Product Appendix to these Rules from time to time.
- 3.10 Members will be bound by these Rules and by any decision of Tradition made pursuant to these Rules.

4 Access to the System

- 4.1 Members will be granted access to the System by Tradition in order to enter into Financial Product transactions.
- 4.2 Every Member is obliged to apply for the issuance of a personal login (user code) for every employee who will be trading through the System and for every other employee who needs

access to the System for other reasons (e.g. system management, back-office responsibilities). Members are obliged promptly to notify Tradition of any changes in personnel who have been allocated a personal access code by Tradition so that access rights can be terminated or new access rights granted where necessary in the case of individual employees.

- 4.3 No Member shall allow unauthorised third parties to use the System for any purpose. The personal access code allocated to a specific employee is personal to that individual and may not be used by other persons. Members must have systems and procedures in place designed to ensure that logons are only used by the employees to whom they have been issued.

5 Resignation, Suspension and Termination

- 5.1 A Member may resign its participation and cease to be a Member by giving ten (10) Trading Days' prior notice in writing to Tradition (or such shorter period as may be required to comply with any applicable law or regulation). Tradition may, in addition, at its absolute discretion waive some or all of the notice period.
- 5.2 Membership may be suspended or terminated in accordance with Chapter 5. In addition, Tradition may immediately suspend a Member's or an individual's access to the System or any part of the System or any Financial Product traded on the System or refuse to accept an order to the System or decline to allocate a personal access code to an individual in the event that Tradition, in its reasonable opinion, considers such action to be necessary to preserve the security or integrity of the System, to prevent violation of laws or regulations or to protect other users of the System from fraud. Tradition shall, so far as reasonably practicable and permitted by applicable law, give affected users reasonable advance notice of any such action and the effective time and date of such action. A Member may appeal a decision to suspend a Member or individual pursuant to this Rule 5.2 in accordance with the provisions set out in Chapter 5 Rule 3.3 and any such appeal will be heard in accordance with the provisions of Chapter 5 Rule 4 (and for the avoidance of doubt the suspension shall remain in place during the determination of any appeal).
- 5.3 Resignation, suspension or termination of a Member's participation shall be without prejudice to the obligations of the Member under Chapter 1 Rule 5, Chapter 2 Rules 3.6, 3.7, 3.10, 5.3, 5.4 and 5.5, Chapter 5, Chapter 6 and Chapter 7 Rules 1 and 3 which shall survive such resignation or termination of the membership and endure through any suspension.
- 5.4 In the event of resignation, suspension or termination of a Member's participation, the Member shall ensure that prior to the effective time and date of the resignation, suspension or termination (as the case may be); any unmatched orders and/or prices which may result in the conclusion of Financial Product transactions by such Member have been cancelled. In the event of failure on the part of the Member promptly to effect such cancellation, Tradition shall cancel the unmatched orders and/or prices. Following resignation, suspension or termination, the Member shall continue to be liable to perform Financial Product transactions concluded by it prior to the resignation, suspension or termination (as the case may be).
- 5.5 At the time and date that the resignation, suspension or termination of the participation of a Member becomes effective, Tradition shall be entitled to take all measures necessary to prevent the Member concerned from entering into new Financial Product transactions on the Platform.

CHAPTER 3 - PRODUCTS TRADED ON THE PLATFORM

1 Eligible Products

- 1.1 Tradition shall determine which Financial Products, from time to time, shall be admitted to trading on the Platform and the parameters for Financial Product transactions to be entered.
- 1.2 Full details of Financial Products are set out in the applicable Financial Product Appendix.
- 1.3 Changes in the specifications of the Financial Product types available via the System shall be determined by Tradition and made known to all Members in accordance with Chapter 1, Rule 3.

CHAPTER 4 - TRADING RULES

1 Trading Days, Orders, Order Book and Clearing & Settlement

- 1.1 Details of Financial Products, Trading Days, order types and Clearing & Settlement specifications for each Financial Product tradable on the Platform can be found in the applicable Financial Product Appendix from time to time.

2 Error Trades

- 2.1 Financial Product transactions effected through the System by means of the user identification of a Member shall be binding on such Member subject to any other provision of these Rules.
- 2.2 Notwithstanding the foregoing, Tradition may cancel a Financial Product transaction in accordance with the policy set out in Chapter 4 Rule 3.

3 System-Related Error Trades

- 3.1 Tradition may unilaterally cancel a Financial Product transaction where such transaction constitutes a "System-Related Error Trade".
- 3.2 For the purpose of this Rule 3, a System-Related Error Trade shall occur where, due to an issue with the System, a Financial Product transaction is entered into:
- (a) in the name of a Member without the knowledge or authority of such a Member;
 - (b) by a Member's authorised trader after a notification to disable access to the System in respect of that authorised trader has been received by Tradition; or
 - (c) which is manifestly erroneous.
- 3.3 In the event that Tradition becomes aware of a System-Related Error Trade or is notified by a Member of a System-Related Error Trade (such notification from a Member to contain the information set out in Chapter 4 Rule 3.5 and be sent in accordance with the provisions of Chapter 4 Rule 3.4 and at least 30 minutes before the cut-off time for Tradition to send the System-Related Error Trade Cancellation Notice as set out in this Rule), Tradition shall issue a notice, containing the information required by Chapter 4 Rule 3.6, to all affected Members where it intends to cancel a Financial Product transaction pursuant to this Rule (a "**System-Related Error Trade Cancellation Notice**"). Tradition shall issue a System-Related Error Trade Cancellation Notice as soon as practicable following the System-Related Error Trade coming to its attention and in any event the System-Related Error Trade Cancellation Notice must be issued: (i) at least two (2) hours before the end of the operating times for the applicable clearing house (as may be defined in the Clearing House's applicable rules and procedures) in the case of a trade which is submitted to clearing; and (ii) for all other trades, no more than one (1) hour after the end of the Trading Day, in each case on the Trading Day on which the System-Related Error Trade is alleged to have occurred in order for the procedures in Chapter 4 Rules 3.7 to 3.10 to apply.
- 3.4 Any notification relating to a System-Related Error Trade must be made by a Member to Tradition:

- (a) by email to the Tradition email address at support.london@tradition.com or, where communicated by phone, then confirmed by email promptly (and in any event no later than ten (10) minutes after the end of such phone communication); and
 - (b) all communications must be from a suitably authorised personnel of the Member.
- 3.5 All notifications from Members relating to a System-Related Error Trade must contain:
 - (a) Member's primary contact details (name and direct line);
 - (b) all specific details of the transaction(s);
 - (c) timestamps for each transaction; and
 - (d) Member's reason for considering the transaction to be a System-Related Error Trade.
- 3.6 A System-Related Error Trade Cancellation Notice issued by Tradition shall specify the affected counterparty(ies), transaction details and timestamps.
- 3.7 Within thirty (30) minutes after the issue of a System-Related Error Trade Cancellation Notice by Tradition, the Members party to the relevant Financial Product transaction may, jointly, agree that the Financial Product transaction does not constitute a System-Related Error Trade (a "**Good Trade**"). Good Trades shall not be cancelled but all System-Related Error Trades shall be cancelled by Tradition in accordance with this Rule 3.
- 3.8 Where a System-Related Error Trade is to be cancelled, then Tradition shall notify the counterparty(ies) of the cancellation of the transaction, the transaction shall be cancelled and a cancellation notice sent out to all Members in respect of each such cancelled transaction.
- 3.9 No handling charge will be payable in respect of a cancellation caused by a System-Related Error Trade.
- 3.10 If there is insufficient time in the Trading Day for any of the provisions of this Chapter 4 Rule 3 to be carried out, Tradition and the relevant Members shall use all reasonable endeavours (including within and in accordance with the rules of any applicable clearing house) to ensure that such procedures are completed prior to the commencement of trading on the next Trading Day or, if this is not possible, as soon as practicable after commencement of trading on the next Trading Day after the Trading Day on which the error event occurred.

4 Suspension of Trading

- 4.1 Tradition may at any time suspend trading in whole or in respect of one or more Financial Product types, if it in its discretion, acting reasonably, considers such action necessary to maintain the integrity of the Platform or the fair and orderly trading on the Platform. Tradition shall, as soon as practicable, revoke the suspension of trading in whole or in respect of one or more Financial Product types if, in its opinion acting reasonably, the reason for such suspension has ceased to exist.
- 4.2 The decision of Tradition regarding the suspension of trading of a Financial Product type is generally effected after the close of the day's trading on the Platform and shall be made public to all Members by electronic means to the address specified in the application pack or as may have been otherwise notified by a Member to Tradition prior to the commencement of the following Trading Day.

- 4.3 If trading in specific Financial Product types is suspended in whole or in part, no new orders or prices may be entered in respect of such Financial Product type for the duration of the suspension and all orders which are not matched prior to the time of suspension shall be cancelled.

5 Market Surveillance and Service Disruptions

- 5.1 Tradition shall maintain in place systems to monitor compliance with the Rules, disorderly trading conditions and conduct that may involve Market Abuse. Tradition shall enforce compliance with these Rules and may take all measures necessary, in accordance with and subject to the provisions of these Rules, to ensure orderly trading and the smooth operation of the System.
- 5.2 In order to ensure an orderly system functionality, the commencement of trading may, at the order of Tradition, be postponed for the entire System or trading hours may be extended or shortened, provided that Tradition shall be under an obligation to restore normal trading and normal trading hours as soon as reasonably practicable.
- 5.3 In the event of technical problems that may lead to violation of laws or regulation, error trades or breaches of security, or may materially impact the performance or impact the integrity or stability of the System, Tradition may, for an individual Member or all Members, temporarily suspend access to or trading through the System, to the extent required as a result of such technical problems.
- 5.4 In the event of measures being taken which materially affect the operation of the System, the Members affected thereby shall, to the extent possible, be promptly notified via the System or - in the case of a System failure - by other suitable electronic means.
- 5.5 If participation in trading through the System is not possible for individual Members due to technical disruptions, the System shall continue to be available to other Members, but Tradition shall be obliged to rectify such technical disruptions as soon as reasonably practicable.

CHAPTER 5 – POWERS OF TRADITION AND THE APPEALS PANEL

1 Tradition - Disciplinary Action

1.1 Tradition may:

- (a) take disciplinary action against a Member in respect of any act or omission that amounts to a material breach of these Rules in accordance with the procedures made under Chapter 5 Rule 3; and
- (b) suspend or restrict a Member's activities on the Platform on an interim basis when a matter is under investigation, provided that such suspension or restriction shall only be put in place where there is a reasonable suspicion that the Member has committed a material breach of these Rules.

2 Tradition - Sanctions

2.1 Tradition may, in its absolute discretion, impose sanctions on a Member for a material breach of the Rules constituting either or both of the following:

- (a) temporary suspension; and
- (b) termination of participation.

3 Tradition - Procedures

3.1 To achieve its overall aim to ensure the fair and orderly trading of Financial Products on the Platform, Tradition will operate procedures designed to identify breaches of, and ensure Member compliance with, the Rules, including without limitation scrutiny of trading data and reports.

3.2 In the event of any alleged breach or suspected breach by a Member of these Rules, Tradition shall notify the Member of the commencement of an investigation along with reasonably sufficient information to allow the Member to assess the alleged breach, save where such notification is precluded by applicable law or regulation. Where sufficient information exists regarding the cause of the alleged breach or suspected breach, such notification may include a request to the Member to take such remedial action so as to ensure the alleged breach or suspected breach does not recur.

3.3 Tradition will investigate the facts of each case, seeking to understand why the alleged Rule breach occurred and will assess whether any remedial action the Member has taken (pursuant to Chapter 5 Rule 3.2) is adequate to prevent similar future occurrence.

3.4 In each case, Tradition shall determine whether impose any of the sanctions in Chapter 5 Rule 2 in relation to a breach of the Rules. In coming to such a determination, Tradition shall take into account a number of factors, including without limitation:

- (a) the nature and seriousness of the Rule breach and the duration and frequency of misconduct;
- (b) how the Rule breach came to light (e.g. whether flagged by the Member under investigation);
- (c) the actual or potential market impact of the Rule breach, and any other repercussions;

- (d) the extent to which the Rule breach was deliberate or reckless;
 - (e) the compliance history of the Member under investigation, and specific history regarding the Rule breach in question and whether any warning notices have previously been issued to the Member in relation to the Rule;
 - (f) consistent and fair application of the Rules (any precedents of similar Rule breaches); and
 - (g) the responsiveness and conduct of the Member in relation to the matter under investigation.
- 3.5 Upon conclusion of its investigation, Tradition will decide what action is necessary in each instance and shall communicate such decision promptly to the Member (including if any action is to be taken). In addition (or in the alternative) to the sanctions described in Chapter 5 Rule 2, Tradition may, as an initial step, request that the Member concerned (where this has not already been done pursuant to Chapter 5 Rule 3.2) takes remedial action so as to ensure the breach does not recur. Alternatively, Tradition may decide to issue a warning notice to the Member concerned. Tradition shall ensure that any sanction imposed upon a Member is proportionate to the Rule breach in question and, where the sanction is a temporary suspension, such suspension shall cease when the Member has carried out remedial action to Tradition's reasonable satisfaction. For the avoidance of doubt and subject to any other relevant provision of these Rules (including without limitation Chapter 6), any investigation, action or sanction shall remain confidential.
- 3.6 During its investigation, Tradition shall permit the Member reasonable opportunity to submit petitions and/or information in relation to the alleged breach and Tradition shall take such submissions into account in reaching a conclusion as to any necessary action.
- 3.7 A Member shall cooperate with Tradition in the investigation of potential breaches by providing reasonable assistance to Tradition including the provision of information reasonably requested by Tradition, subject to regulatory and confidentiality restrictions.
- 3.8 For the avoidance of doubt, a Member shall be under no obligation to comply with a request to take remedial action made pursuant to Chapter 5 Rules 3.2 or 3.5.
- 3.9 A Member may appeal a decision of Tradition related to disciplinary action within ten (10) Trading Days of receiving notice of the decision, specifying the grounds upon which the Member is appealing and the reasons why it believes its membership should not be suspended/terminated. Appeals will be heard and decided by the Appeals Panel.

4 Appeals Panel – Procedures

- 4.1 Following a referral to the Appeals Panel pursuant to Chapter 5 Rule 3.7, the Appeals Panel shall convene and make a determination, by majority vote, on the matter within twenty (20) Trading Days of receipt of notice of appeal from the Member. Such determination shall be to uphold, quash or amend the original decision that is the subject of the appeal.
- 4.2 A Member shall cooperate with the Appeals Panel in the determination of the appeal by providing reasonable assistance to the Appeals Panel including the provision of information reasonably requested by the Appeals Panel, subject to regulatory and confidentiality restrictions.

- 4.3 The Appeals Panel's determination shall be final and binding upon the relevant Member and Tradition.

CHAPTER 6 - COOPERATION WITH REGULATORY AUTHORITIES

- 1 Tradition, which is the operator of the Platform, is authorised and regulated by the FCA in the UK. Tradition will report to the FCA any significant breaches of the Rules, disorderly trading conditions and conduct that may involve Market Abuse, in each case only as are required to be reported to the FCA under applicable law or regulation.
- 2 Save where it is required to do so by operation of law or by virtue of an order of a court of competent jurisdiction or to comply with its obligations to provide information to a governmental or multinational organisation or agency (including, but not limited to, the FCA) or where it is required or permitted pursuant to any other provision of these Rules, Tradition shall not disclose any information provided by, or relating to, a Member without the express authorisation of the Member in question.
- 3 In addition to its obligations to the FCA, Tradition will assist in any investigation conducted in relation to trading on the Platform, whether by the FCA or another competent authority. This Rule 3 is subject to Rule 2 above.

CHAPTER 7 OTHER PROVISIONS

1 Obligation to Cooperate

Solely to the extent necessary to enable Tradition to monitor a Member's compliance with these Rules, each Member which participates directly in trading on the Platform through its trader system located outside the United Kingdom must, to the extent permitted by law, ensure that all installations operated outside the United Kingdom (trader systems, input devices, etc), as well as the activities of such Member conducted within the scope of the use of such devices, may be subject to inspection (upon prior arrangement, during business hours and on a working day at the relevant location) by Tradition or its authorised agents, subject to reasonable notice and confidentiality, regulatory and policy compliance restrictions. The same shall apply if a Member participates in trading on the Platform by means of input devices outside the United Kingdom which are connected to a trader system within the United Kingdom.

2 Notice

2.1 Except as otherwise specified in these Rules, any notice or other communication in connection with these Rules (each, a **"Notice"**) shall be:

- (a) in writing in English; and
- (b) delivered by hand, fax, registered post or by courier using an internationally recognised courier company.

2.2 The address and facsimile number (and the department or officer, if any, for whose attention the communication is to be made) of Tradition for any Notice is:

Address: Beaufort House, 15 St Botolph Street, London, EC3A 7QX. For the attention of Head of Emerging Markets

Fax: +44 20 7726 0444. For the attention of Head of Emerging Markets

2.3 The address and facsimile number (and the department or officer, if any, for whose attention the communication is to be made) of a Member is the address and facsimile number so notified by the applicant in their application pack, as may be amended by notification to Tradition from time to time by not less than five (5) Business Days' notice.

2.4 A Notice shall be effective upon receipt and shall be deemed to have been received:

- (a) at the time of delivery, if delivered by hand, registered post or courier; or
- (b) at the time of transmission in legible form, if delivered by fax.

2.5 Where any Notice is sent by email in accordance with these Rules, that Notice shall be effective upon receipt and shall be deemed to have been received when the email has been delivered to, and received by, the email servers of the recipient.

3 Use and Exploitation of Data

Tradition is entitled to all rights of use and exploitation of the data entered into the System as well as the data resulting there from. Tradition is entitled to disseminate such data and market information and may charge a fee therefore. In particular, Tradition may, under observance of the anonymity of the Members, perform and distribute statistical evaluations

and analyses of the market. Neither Tradition nor the Members shall be held liable for the correctness and completeness of the data, market information, market analyses and statistical evaluations distributed by Tradition.

APPENDIX 1

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CREDIT PRODUCTS

1 Credit product types

1.1 The following product types shall be eligible for admission to TRADe:

- (a) Single name CDS
- (b) Index (CDS basket)
- (c) Index options

2 Credit orders

2.1 Prices can be offered for certain contract types (as indicated on the Platform website), which shall remain valid, until changed or cancelled by the Member. Unless the Member elects otherwise, orders entered in the System and not matched will be automatically cancelled at the end of the Trading Day.

2.2 Type of orders

- (a) Single name CDS
 - (i) Hit or Lift

Simple market order to buy or sell the CDS at the best available price at the time the order is received in the marketplace.
 - (ii) Limit order (conditional at a level)

Order to buy a specified quantity of CDS at or below a specified price, or to sell it at or above a specified price.
 - (iii) Switch credit name order

Simultaneous purchase and sale of a specified quantity of CDS based on two different single names.
 - (iv) Switch curves orders

Simultaneous purchase and sale of a specified quantity of CDS single name at a specified spread based on two different maturity dates.
- (b) Index
 - (i) Hit or Lift

Simple market order to buy or sell the CDS Basket (*i.e.* Index) at the best available price at the time the order is received in the marketplace.
 - (ii) Spread between series

Simultaneous purchase and sale of different Index series (for example: iTraxx EUR S9 vs. iTraxx EUR S10).

(c) Index options

(i) Hit or Lift

Simple market order to buy or sell the Index Option at the best available price at the time the order is received in the marketplace.

(ii) Spread between options

Simultaneous purchase and sale of index options based on different:

- Maturity (Calendar Spread)
- Strategies profile (PAY SPD, REC SPD, Risk Reversal)
- Series (Roll).

3 Order Book

- 3.1 The order book contains all orders entered in the System by the Members. The Members may view in the order book all orders per term and Financial Product transaction including information as to the contract size. If an order is matched it will be removed from the queue and only live orders will be shown in the System. Orders not matched by the end of the Trading Day will be cancelled and Members must therefore re-enter their orders into the System on the following Trading Day or specify the period of time they would like the order to remain in the System when entering the order.

4 Clearing and Settlement

- 4.1 The Platform operates on the basis that Financial Product transactions shall be effected only between Authorised Clearing Members. If a Member is not itself an Authorised Clearing Member, it may only effect transactions through an Authorised Clearing Member that performs the clearing of its transactions via the System.
- 4.2 If a Cleared Product transaction is concluded by a Member, which is not itself an Authorised Clearing Member, a transaction will be effected between the Member and an Authorised Clearing Member and a corresponding transaction is simultaneously effected between such Authorised Clearing Member and the Clearing House.
- 4.3 The System functions enable the Members to negotiate the contract components of the relevant Financial Product transaction.
- 4.4 Notwithstanding the foregoing, Members may jointly instruct a clearing connectivity provider to route a Cleared Product transaction to direct bilateral settlement between such Members, and not for clearing via a Clearing House.

5 Credit Trading Day timings

- 5.1 Trading on the Platform principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Product trading on individual days or to determine additional Trading Days after prior announcement thereof to the Members.

- 5.2 Trading on the Platform will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Members in accordance with Chapter 1, Rule 3.

APPENDIX 2

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: INFLATION DERIVATIVES

1 Inflation derivative product types

- 1.1 The following product types shall be eligible for admission to and capable of being traded on TRADe:
- (a) Inflation swaps
 - (i) Year-on-Year: where the parties agree to exchange fixed versus variable year-on-year inflation rate
 - (ii) Zero-coupon: where the parties agree to exchange a simple compounded fixed rate versus the actual growth of an inflation index
 - (b) Inflation options (Calls and puts on Year-on-Year and Zero-coupon rates and combinations of these)
 - (c) Other Financial Products which may be required as hedges to the above
 - (d) Strategies that are combinations of the above

2 Inflation orders

- 2.1 Prices can be offered for certain contract types and combinations of contract types (as indicated on the Platform website), which shall remain valid, until changed or cancelled by the Member. Unless the Member elects otherwise, orders entered in the System and not matched will be automatically cancelled at the end of the Trading Day.
- 2.2 Auction orders: Any of the above product types or combinations thereof (strategies) may be put up for an Auction where there is an unambiguous Auction Price which may be an outright rate or the difference between two rates (a spread or margin) or some other calculated quantity. Members may submit bids or offers at that Auction Price. In the case of strategies that are combinations of products, the Auction Price will be interpreted as the net price of the given strategy or as the price of the principal component of the strategy where all other components have their prices specified.

3 Order Book

- 3.1 The order book contains all orders entered in the System by the Members. The Members may view in the order book all orders per term and Financial Product transaction including information as to the contract size. If an order is matched it will be removed from the queue and only live orders will be shown in the System. Orders not matched by the end of the Trading Day will be cancelled and Members must therefore re-enter their orders into the System on the following Trading Day or specify the period of time they would like the order to remain in the System when entering the order.
- 3.2 The Auction order book contains all orders entered in the System by the Members during the Auction Period. The Members may view in the Auction order book all orders per term and Financial Product transaction including information as to the contract size. If an order is matched it will be removed from the queue and only live orders will be shown in the System. Orders not matched by the end of the Auction Period will be cancelled.

- 3.3 Where trades are matched in an Auction, priority will be given to the earlier price submitted to the System. Prices are valid only until the end of such an Auction.
- 3.4 Until such point as the credit control suppression functionality for the System (as described in paragraph 6 below) is available to Members on a continuous and intra-day basis (i.e. Members being able to put in place a credit control suppression in relation to a counterparty continuously during the Trading Day), then for non-cleared products, matched transactions will be subject, on a transaction-by-transaction basis, to the counterparties to the trade completing satisfactory credit assessments, which will be carried out by voice promptly after the transaction is matched upon the System, and in the event of an unsatisfactory credit assessment, Tradition will facilitate the cancellation of such trade (a **“Failed Credit Transaction”**). Members who are counterparties to such Failed Credit Transactions acknowledge and agree that such transactions shall be cancelled.

4 Clearing and Settlement

- 4.1 The clearing of Financial Products traded on the System shall be for the determination of the Member and shall not be the responsibility of Tradition.
- 4.2 The System functions enable the Members to negotiate the contract components of the relevant Financial Product transaction.
- 4.3 Notwithstanding the foregoing, Members may jointly instruct a clearing connectivity provider, to route a Cleared Product transaction to direct bilateral settlement between such Members, and not for clearing via a Clearing House.

5 Inflation Trading Day timings

- 5.1 Trading on the Platform principally shall take place on the days determined by the Tradition. The Tradition reserves the right at any time not to make available Financial Product trading on individual days or to determine additional Trading Days after prior announcement thereof to the Members.
- 5.2 Trading on the Platform will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by the Tradition and made known to all Members in accordance with Chapter 1, Rule 3.
- 5.3 Trading in an Auction on the Platform shall be at such times advertised from time to time to the Members and normally within the Inflation Trading Day.

6 Inflation Derivatives – credit control suppression functionality

- 6.1 The Platform shall provide functionality for Members to make requests, in accordance with this paragraph 6, for certain counterparty Members to be ‘credit control suppressed’ as potential counterparties (**“Suppressed Counterparty”**) to that requesting Member. An effective credit control suppression request shall have the effect of the Platform not matching orders submitted to the Platform by the Member with those orders submitted to the Platform by a Suppressed Counterparty.
- 6.2 In order for a Member to request a credit control suppression, the Member shall send an email to Tradition at Inflation.CreditControl@tradition.com stipulating:
- (a) Name of required Suppressed Counterparty; and
 - (b) Start date for credit control suppression.

- 6.3 The email sent pursuant to paragraph 6.2 above shall also state as follows: *“We, [insert Member corporate name], hereby give instructions to Tradition (UK) Limited to give effect to the above credit control suppression for the TRADe Platform and acknowledge and agree that Tradition (UK) Limited shall not be liable for the effects of such suppression.”*
- 6.4 Members must entitle all email requests pursuant to this paragraph 6 “Credit Control Suppression” and all emails must arrive at the above email address before **16.00 GMT/BST** in order for such credit control suppression request to be given effect to at the start of the next Trading Day.
- 6.5 All credit control suppressions shall remain in place until the Member notifies Tradition that the credit control suppression is to be removed. A credit control suppression removal notification must be sent by email to Tradition at Inflation.CreditControl@tradition.com before **16.00 GMT/BST** in order for such credit control suppression to be removed for the start of the next Trading Day. The email must be entitled “Credit Control Suppression” and must stipulate:
- (a) Name of the Suppressed Counterparty; and
 - (b) End date for credit control suppression.
- 6.6 The email sent pursuant to paragraph 6.5 above shall also state as follows: *“We, [insert Member corporate name], hereby give instructions to Tradition (UK) Limited to remove the above credit control suppression for the TRADe Platform and acknowledge and agree that Tradition (UK) Limited shall not be liable for the effects of the removal of such suppression.”*
- 6.7 The effect of any credit control suppression will be that a Member attempting to trade against a price which has been submitted by a Suppressed Counterparty shall be rejected by the System, and such rejection notified to the Member who has requested the credit control suppression along with the reason for the rejection.
- 6.8 All credit control suppression requests shall constitute confidential information pursuant to the TRADe User Agreement and be subject to the provisions therein. For the avoidance of doubt, the Suppressed Counterparty shall not be informed of the requesting Member’s credit control suppression.
- 6.9 All credit control suppression requests must originate from a Member’s Authorised Representative.

7 Miscellaneous

For the purposes of this Appendix 2, the following definitions will apply:

Auction	means a limited-time phase in which Members are facilitated to buy or sell Financial Products at a pre-determined Auction Price;
Auction Period	means the period of time in an Auction during which Members may submit or modify orders;
Auction Price	means the price at which matching buy and sell orders will be transacted in an Auction.
Member’s Authorised Representative	means the representative (and, for the avoidance of doubt, there may be multiple Member’s Authorised Representatives for a Member) as may be notified to Tradition by the Member in writing

(to credit.operations@tradition.com) from time to time.

APPENDIX 3

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: EMERGING MARKETS

Emerging Markets covered by Tradition (UK) Limited include the following securities:

- 1 Eastern European Bonds: Government and Corporate**
- 2 EMEA Bonds**
- 3 South American Bonds**

Voice Trading Protocol

1. Tradition Voice Broker (the “Tradition Broker”) role: the Tradition Broker may input, amend, cancel orders on a Member’s authorised trader’s behalf.
2. Tradition’s operations team will have the authorisation to cancel unmatched orders on behalf of a Member.
3. The Tradition Broker cannot be responsible for delays in carrying out a request by the Member’s authorised trader that results in the trade being filled electronically or a trade being missed. The Tradition Broker will use reasonable endeavors to fill the request in a responsible and timely manner.
4. A voice order from a Member’s authorised trader to a Tradition Broker to hit an electronic bid or take an electronic offer (hybrid order) will not, in itself, be a guarantee to trade. The Tradition Brokers will use reasonable endeavors to get the order filled but the only guarantee to trade on an electronic price is the Member’s authorised trader trading direct (“click and trade”) which is itself subject to system latency and electronic communications delays.
5. It is the Member’s authorised trader’s (and ultimately the Member’s) sole responsibility to monitor its own electronic trading flow and execution. Neither Tradition, nor the Tradition Broker, is responsible for reporting the electronic trades that Members have executed on the Platform, except as otherwise stated in the Rules.

Miscellaneous

For the purposes of this Appendix 3, the following definitions will apply:

Auction	means a limited-time phase in which Members are facilitated to buy or sell Financial Products at a pre-determined Auction Price;
Auction Period	means the period of time in an Auction during which Members may submit or modify orders;
Auction Price	means the price at which matching buy and sell orders will be transacted in an Auction.
Member’s Authorised Representative	means the representative (and, for the avoidance of doubt, there may be multiple Member’s Authorised Representatives for a Member) as may be notified to Tradition by the Member in writing from time to time.