

TFS-ICAP LIMITED
“VOLBROKER” CURRENCY OPTIONS
TRADING PLATFORM

RULEBOOK
03 July 2013

Contents

	Page
Chapter 1 - General Provisions	
1	Definitions and Interpretation 1
2	Application 2
3	Amendments 2
4	The Platform 2
5	Governing Law and Jurisdiction 3
Chapter 2 - Participation In the Platform	
1	Application Procedure 4
2	Eligibility 4
3	Members Obligations 4
4	Access to the System 6
5	Resignation, Suspension and Termination 6
Chapter 3 - Securities Traded on the Platform	
1	Eligible Securities 8
Chapter 4 - Trading Rules	
1	Trading Days, Orders and Order Book 9
2	Error Trades 9
3	Bi-lateral Cancellation – Member Error Trades 9
4	System-Related Error Trades 10
5	Suspension of Trading 11
6	Market Surveillance 11
Chapter 5 - Powers of the Committee	
1	Disciplinary Action 12
2	Sanctions 12
3	TFS-ICAP Procedures 12
Chapter 6 - Cooperation With Regulatory Authorities	
Chapter 7 Other Provisions	
1	Force Majeure 15
2	Obligation to Cooperate 15
3	Use and Exploitation of Data 15
4	Notice 15
1	FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS
2	FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS FIXED PRICE AUCTION
3	FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS “VOLCALL”

CHAPTER 1 - GENERAL PROVISIONS

1 Definitions and Interpretation

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

Board		means the board of directors of TFS-ICAP Limited;
Committee		means the committee of TFS-ICAP Limited personnel for the time being which shall be responsible for supervision and oversight of the operation of the System including rulemaking, admission to, suspension and termination of membership, suspension of trading, surveillance and enforcement;
Eligibility Criteria		means the criteria for the time being set by TFS-ICAP which determine eligibility to become a Member and participate in the System;
FCA		means the Financial Conduct Authority of the UK, or any successor, substituted or replacement authority in the UK having regulatory oversight of multilateral trading facilities;
Financial Products		means the financial 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;
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 “Volbroker” market operated by TFS-ICAP Limited;
Rules/Rulebook		means these rules as the same may be amended, varied, extended, supplemented or replaced from time to time;
System		means the “TFS Broker Suite” electronic trading system operated and administered by TFS-ICAP for the purpose of the Platform;
TFS-ICAP		means TFS-ICAP Limited;
TFS-ICAP Company	Group	means all subsidiary undertakings and parent undertakings of TFS-ICAP 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;
TFS-ICAP Agreement	User	means the agreement of the same name governing access by Members to the System;
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;

- Transaction** means a transaction in respect of a Financial Product executed on the Platform formed by way of a matching bid and offer price in an agreed volume; 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.

2 Application

- 2.1 This Rulebook sets 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 TFS-ICAP.
- 2.2 The Platform enables Members to participate in trading Financial Products by means of the System.

3 Amendments

- 3.1 TFS-ICAP 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, unless a short-term action of TFS-ICAP becomes necessary due to particular market conditions.
- 3.3 Any amendments, extensions, variations or supplements to the Rules shall be notified to Members by way of a circular setting out the announcement of TFS-ICAP sent to Members electronically via e-mail and posted on the Platform's website.

4 The Platform

- 4.1 The Platform enables Members admitted to trading to enter into Transactions electronically 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 until deleted either by the Member who submits it or the System at the end of the trading day.
- 4.3 Parties to Transactions shall remain anonymous to Members on the System prior to the matching of a Transaction, but immediately following execution of such Transaction the Members who are the principal party to that Transaction shall be made known to one another by electronic confirmations from the System.
- 4.4 Such electronic confirmation from TFS-ICAP to each Member who is a party to such Transaction shall contain all relevant information on that trade including, but not limited to,

stated time of the trade, size of the trade, the price at which the trade was executed, the currency pair of the trade and the counterparty to the trade.

- 4.5 TFS-ICAP will comply with all applicable laws and regulations relating to requirements in respect of "Know-Your-Client" and "Anti-Money Laundering" and any similar applicable laws and regulations. TFS-ICAP shall provide a list of Members upon request.

5 Governing Law and Jurisdiction

- 5.1 The Rules and all provisions of this rulebook shall be governed by the laws of England and Wales and all matters and disputes related to the same shall be subject to the non-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 TFS-ICAP 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 TFS-ICAP and complete applications will be determined within 20 Trading Days of receipt.
- 1.4 An applicant may appeal a decision made by TFS-ICAP pursuant to Rule 1.3 above by serving a notice of appeal in writing to the Board at TFS-ICAP within 10 Trading Days of a notice under 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. The Board shall consider the grounds of appeal stated in the notice of appeal. The Board shall determine the matter within 30 days of receipt of the notice of appeal from the prospective Member and the Board's decision shall be final.

2 Eligibility

- 2.1 An application for admission to participate in the Platform will only be considered if the applicant meets the following requirements:
 - (a) the applicant must be an EEA regulated investment firm or credit institution (as defined under MiFID), or the applicant must be otherwise licensed and supervised by a financial market supervisory authority in its country of incorporation, 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. TFS-ICAP will only consider applications for membership in respect of applicants located in jurisdictions that (in the sole opinion of TFS-ICAP): (x) have satisfactory regulatory arrangements in respect of supervision of investment activity; (y) do not otherwise raise regulatory or reputational concerns for TFS-ICAP; and (z) do not require TFS-ICAP to obtain an authorisation, licence or similar (including without limitation a "no action" type letter) from a Competent Regulatory Authority in order to provide the applicant access to the Platform;
 - (b) the applicant must have technical and organisational facilities sufficient (in the opinion of TFS-ICAP) for the orderly settlement of Transactions to be assured.
 - (c) the applicant must have entered into a TFS-ICAP User Agreement; and
 - (d) the applicant must not be subject to an Insolvency Event.
- 2.2 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 Members will be responsible for all Orders and actions taken on the Members' user 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 ensure the maintenance of fair and orderly trading, thus fostering the integrity of the marketplace, and to apply appropriate professional knowledge, care and diligence. Furthermore, Members are obliged to provide TFS-ICAP with all information and evidence, which TFS-ICAP reasonably deems necessary for the maintenance of a fair and orderly market and for the verification of compliance with the Rules.
- 3.5 Members must not, in respect of any of their business on the Platform:
- (a) intentionally 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) intentionally do or engage in any act or course of conduct which is likely to harm the integrity or stability of the System.
- 3.6 Members must inform TFS-ICAP, as soon as reasonably practicable, upon the occurrence of any of the following:
- (a) becoming aware that they or any of their users are unable to comply with these Rules;
 - (b) the occurrence of any Insolvency Event relating to the Member;
 - (c) a material breach of these Rules upon becoming aware thereof; or
 - (d) ceasing to meet any of the Eligibility Criteria.
- Subject to any other relevant provision of these Rules, all information and evidence provided to TFS-ICAP in accordance with this Rule 3.7 shall be kept confidential and not disclosed to any person other than the relevant Member and TFS-ICAP.
- 3.7 Members are responsible for retaining records of all trades entered into on the Platform for a minimum of 5 years;
- 3.8 Members are responsible for ensuring that, with respect to trading, relevant digital flows are recorded and records are maintained for a minimum of 6 months;
- 3.9 Members must continue to meet the Eligibility Criteria at all times whilst a Member.
- 3.10 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.
- 3.11 Members will be bound by these Rules and by any decision of TFS-ICAP or the Board made pursuant to these Rules.

4 Access to the System

- 4.1 Members will be granted access to the System by TFS-ICAP in order to enter into 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 TFS-ICAP of any changes in personnel who have been allocated a personal access code by TFS-ICAP 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.

5 Resignation, Suspension and Termination

- 5.1 TFS-ICAP may, at its discretion, terminate a Member's participation in the System at any time without prior notice, or suspend participation unilaterally, if:
- (a) the Member has ceased to meet the Eligibility Criteria;
 - (b) the Member is in breach of the Rules or any agreement it maintains with TFS-ICAP or a TFS-ICAP Group Company, in any such case, such breach, to the extent that it may be cured, not having been cured with 5 days of a notice from TFS-ICAP mandating the action to be taken by the Member; or
 - (c) in the opinion of TFS-ICAP such suspension or termination is necessary to ensure orderly trading on the Platform.

TFS-ICAP will notify the Member in writing of a decision to suspend or terminate a Member.

- 5.2 A Member may appeal a decision made by TFS-ICAP pursuant to Rule 5.1 above by serving a notice of appeal in writing to the Board of TFS-ICAP within 10 days of termination or suspension. The notice of appeal should specify clearly the grounds upon which the Member is appealing and the reasons why it believes its membership should not be terminated. Upon receipt of such notice, the Board shall consider the grounds of appeal stated in the notice of appeal. The Board shall determine the matter within 30 days of receipt of the notice of appeal from the Member and the Board's decision shall be final.
- 5.3 TFS-ICAP may at its discretion reinstate a Member pending consideration of an appeal under Rule 5.2 above and may make such reinstatement subject to such conditions or restrictions as it may in its discretion think fit.
- 5.4 A Member may resign its participation and cease to be a Member by giving 3 months prior notice in writing to TFS-ICAP. TFS-ICAP may at its absolute discretion:
- (a) waive some or all of the notice period; or
 - (b) impose conditions or restrictions, including requiring a longer notice period, on the resignation of the Member to the extent that such conditions or restrictions are necessary to ensure the integrity of the Platform and orderly trading on the Platform.

- 5.5 Termination or suspension of a Member's participation shall be without prejudice to any antecedent obligations of the Member which shall survive termination of the membership, including, without limitation any reporting obligations to competent financial supervisory authorities in all relevant jurisdictions.
- 5.6 In the event of resignation or the termination or suspension of a Member's participation, the Member shall ensure that, upon the effective date of the termination or suspension (as the case may be), any orders and/or prices, which may result in the conclusion of Transactions by such Member, have been cancelled. Failure on the part of the Member promptly to effect such cancellation will entitle TFS-ICAP to cancel the orders and/or prices. Following termination, the Member shall continue to be liable to perform Transactions concluded by it prior to termination. For this purpose, the Member will be granted access to all functions of the System which serve to perform or cancel, as the case may be, such Transactions.
- 5.7 On the resignation, suspension or termination of a Member, TFS-ICAP shall be entitled to take all measures necessary to prevent the Member concerned from entering into new Financial Product Transactions from the time when the relevant measure becomes effective.

CHAPTER 3 - SECURITIES TRADED ON THE PLATFORM

1 Eligible Securities

- 1.1 TFS-ICAP shall determine which Financial Products, from time to time, shall be admitted to trading on the Platform and the parameters for 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 TFS-ICAP and made known to all Members in accordance with Chapter 1, Rule 3.

CHAPTER 4 - TRADING RULES

1 Trading Days, Orders and Order Book

- 1.1 Details of Trading Days, Orders and Order Book mechanics and 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 Transactions effected through the System by means of the user identification of a Member shall be binding on such Member.
- 2.2 Notwithstanding the foregoing, TFS-ICAP may cancel a Transaction in accordance with the policy set out in Chapter 4 Rules 3 and 4.

3 Bi-lateral Cancellation – Member Error Trades

- 3.1 A request for cancellation of a Transaction or group of Transactions entered on the System erroneously (an “**Error Trade Cancellation Request**”) may be made by a Member to TFS-ICAP, within five (5) minutes from the issuance by the System to the relevant Member of the information set out in Chapter 1 Rule 4.4:
- (a) by email to the TFS-ICAP email address at volbroker.support@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 Member’s designated point of contact.
- 3.2 All Error Trade Cancellation Requests 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 cancellation request.
- 3.3 On receipt of the Error Trade Cancellation Request email, TFS-ICAP shall promptly contact the counterparty(ies) to make such counterparty(ies) aware of the Error Trade Cancellation Request, counterparty(ies), Transaction details and timestamps.
- 3.4 Following notifications pursuant to Chapter 4 Rule 3.3 above, if the counterparties mutually agree to cancel any Transaction, this will be treated as bi-lateral cancellation and the Transactions will be cancelled and a cancellation notice sent out to all Members in respect of each such cancelled Transaction.
- 3.5 Following notifications pursuant to Chapter 4 Rule 3.3 above, if the counterparties do not agree to cancel any Transaction pursuant to Chapter 4 Rule 3.4 above, the Transaction shall not be cancelled and shall continue to be binding upon the counterparties.

- 3.6 TFS-ICAP reserves the right to charge a Member, who is a party to a Transaction and who has requested its bi-lateral cancellation pursuant to this Chapter 4 Rule 3, a reasonable handling fee, which will be in no event more than the brokerage fee attributable to the Transaction, to cover the costs of handling the relevant erroneous entry unless the erroneous trade was attributable to a System error or otherwise attributable to TFS-ICAP (in which case no such fee shall be payable). A Member may dispute the quantum of such reasonable handling fee by referring the matter to the TFS-ICAP Board for determination.

4 System-Related Error Trades

- 4.1 TFS-ICAP may unilaterally cancel a Transaction where such transaction constitutes a "System-Related Error Trade".
- 4.2 For the purpose of this Rule 4, a System-Related Error Trade shall occur where, due to an issue with the System, a 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 user after a notification to disable access to the System in respect of that Member's authorised user has been received by email by TFS-ICAP; or
 - (c) which is manifestly erroneous.
- 4.3 In the event that TFS-ICAP 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 3.2 and be sent in accordance with the provisions in Chapter 4 Rule 3.1(a) and (b) and at least 30 minutes before the cut-off time for TFS-ICAP to send the System-Related Error Trade Cancellation Notice as set out in this Rule), TFS-ICAP shall issue a notice, containing the equivalent information to that required by Chapter 4 Rule 3.3, to all affected Members where it intends to cancel a Transaction pursuant to this Rule (a "**System-Related Error Trade Cancellation Notice**"). TFS-ICAP 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 at least one (1) hour before the end of that Trading Day in order for the procedures in Chapter 4 Rules 4.4 to 4.8 to apply.
- 4.4 Within forty-five (45) minutes after the issue of a System-Related Error Trade Cancellation Notice by TFS-ICAP, the Members party to the relevant Transaction may, jointly, agree that the 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 TFS-ICAP in accordance with this Rule 4.
- 4.5 Where a System-Related Error Trade is to be cancelled, then TFS-ICAP 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.
- 4.6 For the avoidance of doubt, no handling charge will be payable in respect of a cancellation caused by a System-Related Error Trade.
- 4.7 If there is insufficient time in the Trading Day for any of the provisions of this Chapter 4 Rule 4 to be carried out, TFS-ICAP and the relevant Members shall use all reasonable endeavours 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.

- 4.8 For the avoidance of doubt, a Transaction cannot be both a System-Related Error Trade and subject to an Error Trade Cancellation Request. If a Transaction is a System-Related Error Trade the provisions of this Chapter 4 Rule 4 shall be followed to the exclusion of the rules in Chapter 4 Rule 3.

5 Suspension of Trading

- 5.1 TFS-ICAP may at any time suspend trading in whole or in respect of one or more Financial Product types, if it in its discretion considers such action necessary having regard to market conditions. TFS-ICAP shall revoke the suspension of trading in whole or in respect of one or more Financial Product types if, in its opinion, the reason for such suspension has ceased to exist.
- 5.2 The decision of TFS-ICAP regarding the suspension of trading of a Financial Product type is generally made after the end of the main trading phase and shall be made public to all Members by electronic means prior to the commencement of the following Trading Day.
- 5.3 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. TFS-ICAP may, in the event of a suspension of trading, issue different instructions on a case-by-case basis.

6 Market Surveillance

- 6.1 TFS-ICAP shall monitor the System throughout the Trading Day and check for statistical patterns and trade correlation which might be of concern. TFS-ICAP shall enforce compliance with these Rules and may take all measures necessary to ensure orderly trading and the smooth operation of the System.
- 6.2 In order to ensure an orderly system functionality, the commencement of trading may, at the order of TFS-ICAP, be postponed for the entire System or trading hours may be extended or shortened accordingly.
- 6.3 In the event of technical problems, TFS-ICAP may, for individual or all Members, temporarily suspend access to or trading in the System.
- 6.4 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.
- 6.5 If participation in trading on the Platform is not possible to individual Members due to technical disruptions, the System shall continue to be available to other trading Members.

CHAPTER 5 - POWERS OF THE COMMITTEE

1 Disciplinary Action

1.1 TFS-ICAP may:

- (a) take disciplinary action against a Member in respect of any act or omission that may amount to a breach of these Rules in accordance with the procedures made under Chapter 5 Rule 3 below;
- (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 Sanctions

2.1 TFS-ICAP may, in its absolute discretion, impose sanctions on a Member for a breach of the Rules comprising either or both of the following:

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

3 TFS-ICAP Procedures

3.1 To achieve its overall aim to ensure the fair and orderly trading of Financial Products on the Platform, TFS-ICAP 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, TFS-ICAP 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 TFS-ICAP 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, TFS-ICAP shall determine whether to impose any of the sanctions in Chapter 5 Rule 2 in relation to a breach of the Rules. In coming to such a determination, TFS-ICAP 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, TFS-ICAP 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, TFS-ICAP 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, TFS-ICAP may decide to issue a warning notice to the Member concerned. TFS-ICAP 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 continue only as long as TFS-ICAP considers necessary in the circumstances (including without limitation ensuring that the breach does not recur).
- 3.6 During its investigation, TFS-ICAP shall permit the Member reasonable opportunity to submit petitions and/or information in relation to the alleged breach and TFS-ICAP shall take such submissions into account in reaching a conclusion as to any necessary action.
- 3.7 A Member shall cooperate with TFS-ICAP in the investigation of potential breaches by providing reasonable assistance to TFS-ICAP including the provision of information reasonably requested by TFS-ICAP, subject to legal, regulatory and confidentiality restrictions.

CHAPTER 6 - COOPERATION WITH REGULATORY AUTHORITIES

- 1 TFS-ICAP, which is the operator of the Platform, is authorised and regulated by the FCA in the UK. TFS-ICAP will report to the FCA any significant breaches of the Rules, disorderly trading conditions and conduct that may involve market abuse.
- 2 TFS-ICAP will supply information to the FCA as required.
- 3 In addition to its obligations to the FCA, TFS-ICAP will assist in any investigation conducted in relation to trading on the Platform, whether by the FCA or another competent authority.
- 4 Members undertake to cooperate with TFS-ICAP and the FCA or any other competent authority in the course of any investigation conducted by the same which relates to trading on the Platform.

CHAPTER 7 OTHER PROVISIONS

1 Force Majeure

TFS-ICAP shall not be held liable for damage caused by disruption in its services as a result of any force majeure, riot, events resulting from war or natural disasters, or resulting from other circumstances beyond the control of TFS-ICAP (e.g. strikes, lock-outs, interruption of transport or orders of domestic or foreign governments).

2 Obligation to Cooperate

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 by TFS-ICAP or its authorised agents. 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.

3 Use and Exploitation of Data

TFS-ICAP is entitled to all rights of use and exploitation of the data entered into the System as well as the data resulting therefrom. TFS-ICAP is entitled to disseminate such data and market information and may charge a fee therefor. In particular, TFS-ICAP may, under observance of the anonymity of the Members, perform and distribute statistical evaluations and analyses of the market. Neither TFS-ICAP nor the Members shall be held liable for the correctness and completeness of the data, market information, market analyses and statistical evaluations distributed by TFS-ICAP.

4 Notice

4.1 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.

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

Address: Beaufort House, 15 St Botolph Street, London, EC3A 7QX. For the attention of Chief Operating Officer – Tradition-ICAP

Fax: +44 207 454 9405. For the attention of Chief Operating Officer – Tradition-ICAP

4.3 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 TFS-ICAP from time to time by not less than five (5) Business Days’ notice.

4.4 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.

4.5 Where any Notice is be 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.

APPENDIX 1

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS

1 Currency Options – product types

- 1.1 The full list of product types admitted to and capable of being traded on the platform are available upon request from TFS-ICAP, but in summary cover:

Currency Options in the following currency pairs: AUD/CAD, AUD/CHF, AUD/HKD, AUD/JPY, AUD/KRW, AUD/NZD, AUD/SGD, AUD/USD, AUDUSD/NZDUSD, BRL/JPY, CAD/JPY, CAD/SGD, CHF/HUF, CHF/JPY, CHF/TRY, EUR/AUD, EUR/BRL, EUR/CAD, EUR/CHF, EUR/CLP, EUR/CNY, EUR/CZK, EUR/GBP, EURGBP/GBPCHF, EUR/HKD, EUR/HUF, EUR/ILS, EUR/JPY, EUR/KRW, EUR/MXN, EUR/MYR, EUR/NOK, EUR/NZD, EUR/PLN, EUR/RON, EUR/RUB, EUR/SEK, EUR/SGD, EUR/TRY, EUR/TST, EURTST/USDTST, EUR/USD, EURUSD/USDCHF, EURUSD/USDNOK, EURUSD/USDSEK, EUR/ZAR, GBP/AUD, GBP/CAD, GBP/CHF, GBP/JPY, GBP/MXN, GBP/SGD, GBP/USD, JPY/INR, JPY/KRW, MXN/JPY, NOK/JPY, NZD/CAD, NZD/JPY, NZD/SGD, NZD/USD, SEK/JPY, SGD/JPY, TRY/JPY, TRY/ZAR, USD/AED, USD/ARS, USD/BHD, USD/BRL, USDBRL/EURBRL, USD/CAD, USD/CHF, USD/CLP, USD/CNH, USD/CNY, USDCNY/USDCNH, USD/COP, USD/CZK, USD/HKD, USD/HUF, USD/IDR, USD/ILS, USD/INR, USD/JPY, USD/KRW, USD/KWD, USD/KZT, USD/MXN, USDMXN/EURMXN, USD/MYR, USD/NOK, USD/OMR, USD/PHP, USD/PLN, USDPLN/EURPLN, USD/QAR, USD/RUB, USDRUB/EURRUB, USD/SAR, USD/SEK, USD/SGD, USD/THB, USD/TRY, USDTRY/EURTRY, USDTST, USDTWD, USDZAR, EUR/BRL 20+, USD/BRL 20+, and USD/MXN 20+.

Volatility Swaps in the following currency pairs: AUD/JPY, AUD/USD, EUR/GBP, EUR/JPY, EUR/USD, GBP/USD, USD/CAD, USD/CHF and USD/JPY.

The trading strategies permitted are Butterfly, Straddle and Risk Reversal, with a range of standard tenors, depending on pair, from ON through to 1Y with long-date tenors on selected pairs from 1Y out to 20Y.

2 Currency Options - Orders

- 2.1 Prices can be offered for the products listed in paragraph 1.1 above and shall remain valid, until changed or cancelled by the Member. Orders entered in the System and not matched will be automatically cancelled at the end of the Trading Day.

2.2 Order Types and Features

- (a) Good-til-Cancelled (“GTC”) – the standard order type, known as ‘BID’ or ‘OFFER’ depending on direction. GTC orders are visible, subject to the “maximum display size” rule below.
- (b) “Maximum display size” rule – orders with a notional size of >50m shall appear on the System as an order of “50+m”, with the remaining size becoming visible as the visible order (or part thereof) becomes matched on the System. The Maximum display size can be adjusted by TFS-ICAP from time to time upon notice to Members in accordance with this Rulebook.

- 2.3 Internal “self trading” (i.e. matching bids and offers from the same Member) is disabled on the System by default, but is available upon application to TFS-ICAP should a firm allow users from the same Member to trade with each other. The System will not permit matching of orders from the same user.

3 Currency Options - Order Book

The order book contains all orders entered in the System by the Members. The Members may view in the order book all orders per Transaction. 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 automatically be cancelled and Members must therefore re-enter their orders into the System on the next Trading Day.

4 Currency Options - Trading Day timings

- 4.1 Trading on the Platform for Currency Options shall take place on each Trading Day. TFS-ICAP reserves the right to determine additional Trading Days after prior announcement thereof to the Members. For the purposes of this paragraph 4.1, “Trading Day” means the period from 07.00 (AEST/ADST) to 17.00 (EST/EDT) on every weekday in London other than Christmas Day and New Year’s Day.
- 4.2 Trading on the Platform will be available from Monday 07.00 (AEST/ADST) to Friday 17.00 (EST/EDT) or for such other periods as may be determined by TFS-ICAP and made known to all Members in accordance with Chapter 1, Rule 3.

APPENDIX 2

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS FIXED PRICE AUCTION

1 Currency Options Fixed Price Auctions – timings, characteristics and process

- 1.1 Auctions on the Platform for Currency Options shall take place on such days and at such times as TFS-ICAP may notify to Members, from time to time.
- 1.2 An Auction shall be:
 - (a) at a fixed price, with such fixed price being specified by TFS-ICAP immediately prior to the Auction's commencement;
 - (b) with a minimum quantity and for a defined time (in multiples of 1 minute, with a minimum value of 1 minute), in each case as specified by TFS-ICAP at the same time as the Auction is notified to Members pursuant to paragraph 1.1.
- 1.3 TFS-ICAP shall establish the fixed price for an Auction by reference to the mid-market price immediately prior to the Auction.
- 1.4 At any time there may be multiple Auctions in respect of different product types.
- 1.5 At any time during an Auction, TFS-ICAP may, by notifying all Members, terminate such Auction, whereupon all unmatched orders residing in the System shall be cancelled. For the avoidance of doubt, orders matched prior to the termination of the Auction will not be affected.
- 1.6 At any time prior to the commencement of an Auction, TFS-ICAP may, by notifying all Members, cancel such Auction.

2 Currency Options Fixed Price Auctions – product types

- 2.1 All product types eligible for trading on the Platform (as described in any Appendix to the Rulebook, as may be amended in accordance with this Rulebook from time to time) shall be eligible to be the subject of an Auction hereunder.

3 Currency Options Fixed Price Auctions - Orders

- 3.1 During the Auction, Members may enter new orders, amend existing orders, or cancel an order. Because of the fixed price nature of an Auction, an order's price characteristic cannot be amended. Similarly, an order cannot be amended such that the minimum quantity requirement would no longer be met.

4 Currency Options Fixed Price Auctions – Dark Order Book

- 4.1 In an Auction the order book contains all orders entered in the System by the Members, but remains "dark" to all Members, operating purely as a matching engine for orders inputted during the Auction by the Members, matching strictly on a "First In First Out" time priority basis. If an order is matched it will be removed from the underlying order book. Orders not matched by the end of the Auction will be cancelled. There is no market data dissemination of orders entered into the System during an Auction.

- 4.2 When the System matches orders, an execution message will be sent immediately from the System to each counterparty to the trade.
- 4.3 Internal “self trading” (i.e. matching bids and offers from the same Member) is disabled on the System by default, but is available upon application to TFS-ICAP should a firm allow users from the same Member to trade with each other. The System will not permit matching of orders from the same user.

5. Definitions

Auction means the functionality on the System for an order matching facility at a fixed price and for defined periods to be determined by TFS-ICAP in accordance with this Rulebook, during which Members may submit orders to a “dark order book” to be matched against other orders, but provided that ongoing market data dissemination shall not be made in respect of submitted orders, unless and until such order is matched with another order submitted to the System.

APPENDIX 3

FINANCIAL PRODUCTS TRADEABLE ON THE PLATFORM: CURRENCY OPTIONS “VOLCALL”

1 Currency Options VolCall – product types

- 1.1 The full list of product types admitted to and capable of being traded on the platform are available upon request from TFS-ICAP, but are listed in summary in Appendix 1, paragraph 1.

2 Currency Options VolCall – RFQ process

- 2.1 The TFS-ICAP “VolCall” offering provides an electronic facility to allow Members to customise and create RFQ requests in relation to Financial Products traded on the System. Full details of the mechanics of the facility are set out in the “Tradition-ICAP VolCall User Guide”, but in summary comprise:

- (a) a “request phase” where a Member (an **“Initiating Member”**) may customise and create an RFQ through the System and, once submitted, such RFQ is disseminated by the System to all other participating Members (**“RFQ Market Makers”**).
- (b) a 5 minute “price making phase” where each RFQ Market Maker submits to the System a response to the RFQ (a **“Quote”**) in the form of a two-way price in relation to the Financial Product which is the subject of the RFQ (i.e. a **“BID”** and **“OFFER”** price). At the end of the “price making phase” the System will display, to all qualifying RFQ Market Makers, an aggregated best bid and offer price.
- (c) a 2 minute “price adjustment phase” where all RFQ Market Makers will be entitled to adjust their Quotes accordingly. As with the “price making phase”, all information entered into the System by RFQ Market Makers is “dark” to all participants (including the Initiating Member) other than the relevant submitting RFQ Market Maker.
- (d) a series of 30 second “deal phases” where participants may either accept a Quote or enter a counter-price level.
- (e) Where the Initiating Member accepts a bid or offer Quote, or a RFQ Market Maker accepts the counter-price to its Quote, then the System shall conclude a Transaction on that basis.
- (f) Where the Initiating Member does not accept a bid or offer Quote, or a RFQ Market Maker does not accept the counter-price to its Quote, then no Transaction shall be concluded.

3 Currency Options VolCall - Trading Day timings

- 3.1 The VolCall functionality on the Platform for Currency Options is available each Trading Day at such other periods as may be determined by TFS-ICAP and made known to all Members in accordance with Chapter 1, Rule 3. TFS-ICAP reserves the right to determine additional Trading Days after prior announcement thereof to the Members. For the purposes of this paragraph 4.1, “Trading Day” means the period from 07.00 (AEST/ADST) to 17.00 (EST/EDT) on every weekday in London other than Christmas Day and New Year’s Day