

Arian Financial Trading Facility OTF (AOTF)

December 2017

Rulebook v1.2.0

CHAPTER 1

GENERAL

RULE 101. The Rules

(a) The Rules set out the terms and conditions of each Participant's and Authorised Trader's access to, and use of, AOTF and have been established to facilitate fair and orderly trading on AOTF.

(b) The Rules supplement and form part of the Participant Documentation in respect of access to, and use of, AOTF. In the event of any conflict between the Rules and any of the Participant Documentation, or any other agreement that references, is incorporated into, or that otherwise applies to a Person's access to, or use of, AOTF, the Rules shall prevail.

RULE 102. Definitions

When used in this AOTF Rulebook (the "Rulebook") the following terms shall have the respective meanings as follows:

"Affiliate" means, with respect to any Person, any Person who, directly or indirectly, Controls, is controlled by, or is under common Control with, such other Person.

"Agent" means a Person acting as agent on behalf of another Person to enter into Trades on or otherwise use AOTF.

"Applicable Law" means, with respect to any Person, any applicable law, statute, regulation or directive, including the laws of any jurisdiction applicable to an Order or Trade and to any use or attempted use of AOTF, any rule, requirement, order, notice or guideline of any Regulatory Authority, market rules and judgments, orders and rulings of any governmental authority or self-regulatory organization, authority, agency, court or body, applicable to such Person, including FSMA and data protection and privacy laws and laws with respect to recording messages of Participant employees and officers.

"Applicant" means a Person applying to become a Participant.

“Authorised Trader” means any natural person designated by a Participant pursuant to Rule 205(a) who (i) has Trading Access to AOTF acting for and on behalf of a Participant and (ii) is assigned a valid Trader ID.

“ATF” means Arian Trading Facility, a trading name of Arian Financial LLP a UK investment firm authorised and regulated by the FCA, with permission to operate an OTF.

“AOTF” means the organised trading facility (as defined in Article 4(1)(23) of recast MiFID) operated by ATF, and in respect of which ATF is authorised and regulated by the FCA.

“AOTF Market” means the functionality upon which Instruments are available for trading on AOTF as set forth in a “AOTF Market Annex,” in each case forming part of this Rulebook.

“Business Day” means a day on which AOTF is open for trading.

“Cleared Instrument” means an Instrument that both Participants involved in a proposed Trade intend to submit to a Clearing House for clearing.

“Clearing House” means a central clearing counterparty for derivative trades that provides clearing services with respect to Instruments traded on AOTF.

“Clearing Member” means a member of a Clearing House that is authorised to clear Trades in Instruments for a Participant or its Principal.

“Confirmation” has the meaning set forth in Rule 303.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by Instrument, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“Counterparty” means a Person that is legally responsible for performance of contractual obligations in connection with the Trade.

“EEA” means the European Economic Area.

“Eligibility Criteria” means the criteria set forth in Rule 202.

“Emergency” means any occurrence or circumstance that, in the opinion of the ATF senior members, or a Person duly authorized to issue such an opinion on behalf of the ATF senior members, requires immediate action and threatens or may threaten the fair and orderly trading in any Instrument, the liquidation or delivery of any Instrument or the timely collection and payment of funds in connection with clearing and settlement, including:

(a) any circumstances which may materially affect the performance of Instruments, including failure of the payment system or the bankruptcy or insolvency of any Participant;

(b) any action taken by any Regulatory Authority, or any other market or facility which may have a direct impact on trading or clearing and settlement;

(c) at the request of the FCA; and (d) any other circumstance which may have a severe, adverse effect upon the functioning of AOTF.

“**FCA**” means the UK Financial Conduct Authority, and any successor or replacement.

“**FCA Handbook**” means the FCA’s handbook of rules and guidance, as amended or replaced from time to time.

“**Force Majeure**” means circumstances that ATF determines, in its sole discretion, may have an adverse effect upon the functions and facilities of AOTF, including but not limited to, acts of God, fire or other natural disasters, bomb threats, acts of terrorism or war or severely inclement weather.

“**FSMA**” means the UK Financial Services and Markets Act 2000.

“**Insolvency**” means, in respect of a Participant:

(i) that an order is made by a court of competent jurisdiction, or a resolution is passed, for the liquidation, bankruptcy or administration of the Participant or a notice of appointment of a bankruptcy trustee or administrator of the Participant is filed with a court of competent jurisdiction;

(ii) the appointment of a manager, receiver, administrative receiver, administrator, liquidator, trustee or other similar officer of the Participant or in respect of it or all or any part of its assets;

(iii) the Participant convenes a meeting of its creditors for the purpose of considering a proposal for a composition in satisfaction of the Participant’s debts or a scheme of arrangement or analogous proceeding;

(iv) the Participant makes or proposes any arrangement, reorganisation 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 ATF);

(v) the Participant 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;

(vi) a petition is presented for the winding up of the Participant, provided that where the petition is presented by a person other than the Participant, Insolvency shall not be deemed to have occurred due to the filing of a winding-up petition which is discharged, stayed or dismissed within 30 days of commencement;

(vii) an attachment before judgment or execution is levied over all or any part of the Participant's property;

(viii) a moratorium is agreed, declared or otherwise obtained in respect of or affecting all or any material part of the Participant's indebtedness;

(ix) the Participant is subject to the exercise of any stabilization powers in Part 1 of the UK Banking Act 2009; or

(x) any action occurs in respect of the Participant in any jurisdiction which is analogous to any of those set out in sub-paragraphs (i) through (ix).

“Instrument” means a financial instrument made available by ATF for trading on AOTF.

“Market Abuse” means any behavior which constitutes market abuse (as defined in the FCA Handbook), insider dealing, market manipulation or any similar or analogous behavior prohibited by Applicable Law.

“MiFID” means the Directive of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended, substituted or replaced from time to time.

“OTF Data” has the meaning set forth in Rule 403(a).

“Order” means a firm offer to buy or sell or enter into an Instrument.

“Participant” means any Person that has signed the Participant Documentation and has been granted, and continues to have, Trading Privileges in accordance with the Rules.

“Participant Documentation” means the agreements and other documents (together with any applicable schedules, exhibits or appendices thereto required by ATF) in form and substance acceptable to ATF, that are required to be executed and delivered to ATF before a Person may access AOTF as a Participant, including the Arian Trading Facility OTF Participant Agreement and any information required by ATF to be provided to ATF electronically via a AOTF screen.

“Person” means a natural person or an entity.

“Principal” means a Counterparty (whether or not disclosed to ATF) on behalf or in the name of which an Agent places Orders, enters into Trades on or otherwise uses AOTF.

“Professional Client” has the meaning given in the FCA Handbook.

“Prohibited Trading Practice” means an activity described in Rule 304(a).

“Recipient” has the meaning given in AOTF Market Annex A.

“Regulatory Authority” means any authority designated by a member state of the European Union in accordance with Article 48 of MiFID and any other relevant regulatory or competent authority, government (or political subdivision), agency, court, commission or entity (whether governmental or non-governmental) having jurisdiction over ATF or the trading of, or Persons engaged in the trading of, Instruments available for trading on AOTF.

“Requestor” has the meaning given in AOTF Market Annex A.

“Rules” means, with respect to any Person, the rules of such Person and the interpretations, resolutions, orders, directives and procedures of the Person thereunder as in effect from time to time, and if no Person is specified, means the rules of AOTF set out in this Rulebook and the interpretations, resolutions, orders and directives and procedures of AOTF thereunder as in effect from time to time.

“Terms Incorporated by Reference” has the meaning given in Rule 303(b).

“Trade” means any purchase or sale of an Instrument or entering into an Instrument on AOTF.

“Trade Communication” has the meaning given in Rule 303(b).

“Trader ID” means a unique identifier issued to each Authorised Trader which enables ATF to identify the individual Orders into or otherwise using AOTF for and on behalf of a Participant.

“Trading Access” means the right granted to an Authorised Trader to send Orders and enter into Trades on or otherwise use AOTF.

“Trading Account” means, with respect to each Participant, each account established and maintained by such Participant at ATF through which the Participant will trade in Instruments.

“Trading Arrangement” means an underlying previously-negotiated freestanding agreement(s) that governs the performance and settlement of an Instrument and applicable credit support and default provisions, including, without limitation, ISDA master agreements, other master agreements, terms supplements and master confirmation agreements incorporating industry definitions.

“Trading Privileges” means the right granted to a Participant to use AOTF.

“Trading Venue” means any regulated organized trading platform or system, but shall not include any bilateral system on which a single Person enters into each trade for its own account.

“Website” means the website of ATF at <http://www.arianfinancialotf.co.uk> (not yet created)

“Written” means printing, lithography, photography, and other modes of representing or reproducing words or data in a visible form, including electronic transmissions.

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The following rules of construction shall apply to the Rules:

- (i) the headings are for convenience only and do not affect the construction of the Rules;
- (ii) all references to time are to local time in London, England except where expressly provided otherwise;
- (iii) words denoting a singular number include the plural number where the context permits and vice versa;
- (iv) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms;
- (v) forms of the word “include” mean that the inclusion is not limited to the items listed;
- (vi) “or” is disjunctive but not exclusive;
- (vii) references to statutory provisions include those provisions and any rules or regulations promulgated thereunder, each as amended, updated or replaced from time to time.

CHAPTER 2.

PARTICIPANTS

RULE 201. Application Procedure

- (a) Applicants may apply to become Participants by submitting executed Participant Documentation, in the form and manner required by ATF.
- (b) The admission of an Applicant to Participant status shall be subject to:
 - (i) passing required relevant customer due diligence checks, sanctions and anti-money laundering checks, including providing such additional information as ATF may require; and
 - (ii) satisfaction of the Eligibility Criteria.
- (c) ATF may reject an Applicant in its sole discretion if it does not satisfy the requirements in paragraph (b) or if ATF considers that accepting the Applicant as a Participant may prevent ATF's complying with Applicable Law.

RULE 202. Eligibility

- (a) Participation in AOTF is open to Applicants that satisfy the eligibility criteria set forth in this Rule 202 and which in each case:
 - (i) provide to ATF the Participant Documentation duly completed and executed; and
 - (ii) meet the technical specifications and standards required by ATF from time to time.
- (b) have been accepted by ATF as a client
- (c) An Applicant must satisfy and, if admitted as a Participant, continue to satisfy the following criteria:
 - (i) be categorised by ATF as a Professional Client; and
 - (ii) be (A) authorised as an EEA credit institution or EEA investment firm or (B) a Person that has satisfied and will continue to satisfy ATF that it is fit and proper to become a Participant, with adequate organisational arrangements in place and a sufficient level of trading ability and competence.
- (d) Each Applicant represents and warrants that it satisfies the following criteria:
 - (i) it complies, and will ensure that its Authorised Traders comply, and, in each case, will continue to comply, with the Rules and Applicable Law;

- (ii) it has the legal capacity to trade in the Instruments it selects to trade on AOTF;
 - (iii) it has appropriate systems and arrangements for the orderly clearance and/or settlement, as applicable, of transactions in all Instruments it selects to trade on AOTF;
 - (iv) it has all registrations, authorisations, approvals and/or consents required by Applicable Law in connection with trading in Instruments on AOTF; and
 - (v) it has adequate experience, knowledge and competence to transact in Instruments.
- (e) Each Applicant must satisfy such other criteria as are specified by ATF from time to time.

RULE 203. Continuing Obligations of Participants

- (a) Each Participant must at all times:
- (i) continue to comply with the Eligibility Criteria;
 - (ii) accept responsibility for Orders, Trades and other actions taken by it and its Authorised Traders; and
 - (iii) have appropriate internal systems and controls to ensure that it trades in an orderly manner, to prevent erroneous Trades and to ensure ongoing compliance with, and prevent breaches of, Applicable Law and these Rules.
- (b) Each Participant must comply with all requirements set forth in each applicable AOTF Market Annex.
- (c) Each Participant must provide ATF with the information necessary for ATF to establish Trading Accounts as instructed by ATF from time to time and in a form specified by ATF, and keep such information up-to-date at all times.
- (d) The Trading Privileges granted to a Participant or the Trading Access granted to an Authorised Trader pursuant to the Rules may not be transferred, assigned, sold or leased.

RULE 204. Information

- (a) Subject to Rule 204(c), ATF may require a Participant to disclose information or produce documents in its possession, custody or control, whether located on Participant's system or premises or on a system or premises of a third party, in each case relevant to its activity on AOTF, for the purposes of determining compliance with these Rules, or in response to a legal obligation or request by a Regulatory Authority.

(b) Participant shall provide all reasonable assistance to ATF regarding a possible breach of these Rules. Subject to Rule 204(c), such assistance may include providing access to information and individuals reasonably within the control of the Participant with such reasonable advance notice by ATF as is practicable under the circumstances.

(c) Nothing in this Rulebook shall oblige a Participant to provide information or documents to ATF:

(i) that reveal the identity of a Participant's clients for which the Participant is not acting as an agent on AOTF;

(ii) that is confidential to a third party and disclosure by a Participant of that information or documents would result in Participant's breach of an existing obligation of confidentiality to such third party;

(iii) that is the subject of Participant's attorney client privilege or attorney work product privilege (or any equivalent protection under Applicable Law); or

(iv) where it would be contrary to the Applicable Law to do so. To the extent the information in the forgoing sentence is required to be disclosed to a relevant Regulatory Authority in accordance with the Applicable Law and to the extent permitted by such Applicable Law, Participant will disclose such information directly to the relevant Regulatory Authority in response to that relevant Regulatory Authority's request rather than disclosing to ATF; unless the relevant Regulatory Authority instructs ATF that such information must be submitted to the Regulatory Authority by ATF. In case a Participant is not obliged, pursuant to this Rule 204(c), to submit to ATF information requested by ATF, the Participant shall provide to ATF as soon as possible a written explanation of reasons why it cannot satisfy the request and a list of alternative documentation that would satisfy the request.

RULE 205. Authorised Traders

(a) Each Participant shall designate one or more individuals as Authorised Traders. Each Participant shall ensure that each of their Authorised Traders.

(b) (i) is a natural person;

- (ii) satisfies any other requirements as may be prescribed and communicated in writing by ATF from time to time; and
 - (iii) has a Trader ID.
- (c) Each Participant will ensure on an ongoing basis that each of its Authorised Traders:
 - (i) is sufficiently trained and adequately supervised in accordance with any applicable requirements of the relevant Regulatory Authority and maintains any approvals required by and is duly authorised under Applicable Law to trade on AOTF;
 - (ii) is technically proficient; and
 - (iii) conducts its business in accordance with the Rules.
- (d) To designate an Authorised Trader, a Participant must follow the procedures established by ATF.

RULE 206. Trader IDs

- (a) ATF shall issue each Authorised Trader a Trader ID
- (b) Each Order entered into AOTF by an Authorised Trader must contain such Authorised Trader's Trader ID.
- (c) Each Participant must ensure that use of any Trader ID is limited to its Authorised Traders and shall adopt, implement and enforce access control procedures that limit access to AOTF to its Authorised Traders.
- (d) No Person may use a Trader ID to send an Order nor enter into a Trade except as permitted by these Rules, nor may any Person knowingly permit or assist the unauthorised use of a Trader ID.
- (e) Each Participant shall ensure the accuracy of the registration information of its Authorised Traders at all times.
- (f) Each Participant shall notify ATF promptly upon becoming aware of:
 - (i) any unauthorised disclosure or use of any Trader ID assigned to it or any of its Authorised Traders; and
 - (ii) any unauthorised access to AOTF by any Person using a Trader ID assigned to its Authorised Traders.

(g) Each Participant shall be bound by any actions taken through the use of a Trader ID assigned to its Authorised Traders, including the submission of Orders and execution, clearance and settlement of Trades, whether or not such actions were taken or authorised by such Participant or Authorised Trader, as the case may be.

RULE 207. Required Disclosures of Participants

Except to the extent prohibited by Applicable Law, each Participant shall promptly notify ATF upon becoming aware of any of the following events:

(a) such Participant or any of its Authorised Traders has breached or is otherwise unable to comply with the Rules;

(b) any material change to the contact information or information in the Participant Documentation provided to ATF by the Participant;

(c) any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Participant to effect Trades pursuant to the Rules or to timely perform the Participant's financial obligations under or in connection with any Trades of such Participant;

(d) any revocation, suspension or conditioning of any registration or license of a Participant necessary to trade on AOTF granted by any relevant Regulatory Authority;

(e) any conviction of or civil law judgement against the Participant for any offence involving fraud, dishonesty, misleading statements or misleading impressions or Market Abuse;

(f) the commencement of enforcement or other proceedings whether before any court or tribunal by any Regulatory Authority to the extent that such action or proceedings could impair, restrict or prevent the Participant's complying with the Rules except to the extent that such notification or disclosure is prohibited by Applicable Law or any relevant Regulatory Authority;

(g) any investigation by a Regulatory Authority relating to use of AOTF of which AOTF would reasonably expected to be notified except to the extent that such notification or disclosure is prohibited by Applicable Law or any relevant Regulatory Authority;

(h) suspension from trading or termination of access to, or trading privileges on, any Trading Venue regulated by a regulatory authority designated by a member state of the European Union in accordance with Article 48 of MiFID where such suspension or termination was a result of a breach of a rule of the Trading Venue by a Participant;

(i) the occurrence of an event of Insolvency with respect to the Participant or the 10% owner or greater owner of the Participant; or

(j) inability by a Participant or any Principal for which it acts as Agent to clear or settle an Instrument in accordance with the Rules, Applicable Law or acceptable industry practice, such as a loss of access to a relevant settlement and/or clearing system.

RULE 208. Suspension or Termination

(a) ATF may, in its sole discretion, issue a Written warning, suspend, impose conditions on or terminate a Participant's or Authorised Trader's ability to access AOTF in the following circumstances:

- (i) such Participant and/or any of its Authorised Traders are in breach of the Rules, Applicable Law or the Participant Agreement;
- (ii) such Participant has failed to pay any amounts due to ATF within 30 calendar days of the date of the applicable invoice;
- (iii) such Participant does not meet the Eligibility Criteria;
- (iv) in the event of an Emergency or Force Majeure;
- (v) any event listed in Rule 207(c), (d), (e), (f), (h), (i) or (j) has occurred; or
- (vi) such action is, in ATF's reasonable opinion, necessary to preserve the security or integrity of AOTF, to ensure orderly market conditions and/or to protect Participants or ensure compliance with Applicable Law.

(b) A Participant may cease to be a Participant by terminating the Participant Documentation in accordance with its relevant terms or otherwise by providing notice to ATF in accordance with such procedures as may be established by ATF for such purpose.

(c) To request the termination or suspension of an Authorised Trader, the Participant must notify ATF following the procedures established by ATF. ATF will terminate access of such Authorised Trader to AOTF promptly upon receipt of such notice from the Participant. From the time that an Authorised Trader's suspension or termination on AOTF is effective, ATF will disable access of such Authorised Trader to AOTF.

(d) From the time that a Participant's suspension, termination or withdrawal is effective:

- (i) all rights and Trading Privileges of such former Participant and all Trading Access granted to its Authorised Traders shall be suspended or terminated, as applicable;

- (ii) the former Participant must immediately withdraw all Orders and/or quotes submitted by such former Participant and its Authorised Traders, failing which ATF shall promptly cancel such Orders and/or quotes;
- (iii) such former Participant remains liable for:
 - (A) any contractual obligations relating to any Trades entered into by such former Participant and its Authorised Traders prior to such suspension, termination or withdrawal;
 - (B) the payment of any fees, costs, or charges incurred prior to such suspension, termination or withdrawal;
 - (C) its and its Authorised Traders' acts done and omissions made during its tenure as a Participant; and
- (iv) such former Participant must comply with any reasonable requests for information from ATF in relation to its tenure as a Participant.
- (e) ATF will notify a Participant of a decision to take any action under this Rule 208 unless it is prohibited from doing so by Applicable Law.

CHAPTER 3. TRADING

RULE 301. AOTF Instruments

ATF shall determine the Instruments eligible for trading on each AOTF Market and may, at any time and in its sole discretion, amend the Instruments eligible for trading on each AOTF Market.

RULE 302. Methods of Execution on AOTF Markets

Methods of execution for each AOTF Market are set forth in the appropriate AOTF Market Annex.

RULE 303. Confirmations

(a) ATF shall promptly, following execution of a Trade, provide each Participant or its Agent that is involved in such Trade with a Written record of the Trade (the "**Confirmation**"). Subject

to the Rules, and any other agreement between the Counterparties to such Trade, the Confirmation shall be conclusive evidence of those Counterparties having entered into a valid, legally binding contract.

(b) For Trades not executed on an anonymous basis, a Confirmation shall consist of the Trade Communication and, if applicable, the Terms Incorporated by Reference. In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency and the Trade Communication will state the same.

“Trade Communication” shall mean a Written communication provided by ATF to each Participant involved in a Trade containing the economic terms of the Trade agreed by the Participants on AOTF.

“Terms Incorporated by Reference” shall mean the Trading Arrangements governing the Trade memorialized in the Trade Communication.

(c) A Participant or its Agent must notify ATF as soon as possible upon receipt if it is not in agreement with any details of the Confirmation.

RULE 304. Prohibited Trading Practices

(a) It shall be a violation of the Rules for a Participant or any of its Authorised Traders to engage, directly or indirectly, in any of the following activities:

- (i) any act or omission that would constitute fraud;
- (ii) making any fraudulent or misleading communication in relation to one or more Instruments or AOTF Markets;
- (iii) breaching or causing AOTF or ATF to be in breach of any Applicable Law;
- (iv) any action or omission resulting in disorderly trading conditions, the disruption of fair and orderly trading or system functionality;
- (v) engaging in any action which is likely to damage the fairness, stability or integrity of AOTF or to bring AOTF or ATF into disrepute; or
- (vi) any act or omission that would constitute Market Abuse.

(b) No Participant or Authorised Trader shall make any knowing misstatement of material fact to ATF or any of ATF's directors, officers, employees or agents.

RULE 305. Market Surveillance

(a) ATF shall monitor compliance with the Rules and shall have procedures and arrangements to identify disorderly trading conditions and any conduct that may be in violation of these Rules. In determining whether conduct or a Trade breaches these Rules, ATF may utilise such information and consult with any relevant parties that it deems appropriate.

(b) ATF may take such actions as permitted by these Rules to facilitate fair and orderly trading on AOTF.

RULE 306. AOTF Risk Controls

(a) ATF may at any time suspend, postpone or extend trading on AOTF as a (a) whole, or in respect of one or more Instruments or AOTF Markets, where ATF reasonably considers such action necessary:

- (i) to maintain the stability or integrity of AOTF;
- (ii) to ensure fair and orderly trading;
- (iii) to avoid violation of Applicable Law;
- (iv) to prevent erroneous execution of Trades; and/or
- (v) as otherwise required by Applicable Law or pursuant to an order or request of a Regulatory Authority or court of competent jurisdiction.

(b) If trading in an Instrument or on a AOTF Market is suspended in whole or in (b) part pursuant to paragraph (a) of this Rule 306, no new Orders or RFQs may be submitted into the relevant AOTF Market in respect of such Instrument or a AOTF Market for the duration of the suspension and all unfilled Orders at the time of suspension shall be canceled.

(c) ATF shall, to the extent practicable, promptly notify Participants of any decision to suspend, postpone or extend trading pursuant to paragraph (a) of this Rule 306.

RULE 307. Trade Cancellation

(a) ATF may cancel a Trade executed on AOTF if:

- (i) both affected Participants agree to cancel such Trade and provide to ATF consent to cancel in Writing; and

(ii) the Trade was a result of clerical or operational error by one or both affected Participants.

(b) ATF reserves the right to require the parties to cancel any Trade executed on AOTF if ATF not unreasonably considers that:

(i) the Trade was a result of a AOTF system error;

(ii) the Trade appears to be Market Abuse or otherwise be manipulative (ii) or indicative of system abuse or misuse;

(iii) the Trade appears to be deceptive or fraudulent;

(iv) such cancellation is necessary to preserve the integrity of the market and maintain fair and orderly trading; or

(v) the Trade is contrary to Applicable Law.

(c) Each Participant acknowledges and agrees that if ATF determines that a Trade should be canceled in accordance with this Rule 307, the affected Participants shall take such steps as may be necessary to effect such cancellation in accordance with normal market convention.

(d) A Participant shall notify AOTF of a potential error Trade as soon as possible but in no event later than the end of the Business Day following the execution of such potential error Trade.

RULE 308. Execution, Clearing and Settlement

(a) In respect of Cleared Instruments:

(i) each Cleared Instrument shall be cleared through the Clearing House mutually selected by the Participants;

(ii) the relevant Clearing House's Rules will govern the clearing of such Trades in addition to the remaining provisions of this Rule 308;

(iii) each Participant must comply with the Rules of the relevant Clearing House; and

(iv) where the Rules of the relevant Clearing House conflict with this Rule 308, the Rules of the relevant Clearing House shall take precedence.

(b) After the Clearing House has confirmed to the ATF that the Trade has been cleared, the ATF will notify the Participants involved in the Trade. I

(c) In respect of Trades in Instruments that are not Cleared Instruments, the settlement of all executed Trades shall take place directly between the Participants in accordance with the terms of the Trade and the Trading Arrangement applicable to the Trade.

(d) If requested by ATF, a Participant shall provide promptly (and, in any event, by the end of the Business Day following the day on which a request is made by ATF) any details relating to settlement of a Trade.

RULE 309. Trade/Transaction Reporting

Each Participant shall be solely responsible for any trade reporting, transaction reporting or other reporting and/or filing requirements as may arise under Applicable Law in connection with the use of AOTF by such Participant (if any).

RULE 310. Taxation

Each Participant shall be liable for the payment of any taxes, including stamp duty reserve tax, that may arise in connection with trading on AOTF by such Participant.

RULE 311. Sponsored or Direct Market Access

A Participant shall not permit or allow any third party to access AOTF using the Participant's Trading Privileges via any means, including via sponsored access or direct market access, unless authorised by ATF to do so subject to such additional conditions as ATF may specify.

RULE 312. Publication of Pre and Post Trade Data

AOTF is obligated to publish pre and post trade transparency data. AOTF reserves the right to enter into agreements with third party vendors in order to fulfill such obligations. Certain orders may qualify for pre trade transparency waivers and / or post trade deferrals. AOTF will observe a participant's right not to have transparency data published if and when waiver criteria are applicable.

CHAPTER 4. MISCELLANEOUS

RULE 401. Notices

(a) Each Participant must provide ATF with its current electronic mail address and telephone number and the electronic mail address and telephone number of any Person who may use a Trader ID associated with such Participant. Each Participant must update the contact

information described in this paragraph (a) whenever it changes no later than the end of the Business Day following the change.

(b) Communications from ATF to Participants may be transmitted by electronic mail or posted on the Website.

(c) Subject to Rule 410(d), a notice from or by ATF posted on the Website shall have effect on the date stated in it. A Participant shall be bound by a notice even if, for any reason, the Participant did not receive it.

RULE 402. Timely Publication of Information

ATF shall publish such information relating to AOTF Markets and the Instruments available for trading on AOTF as required by Applicable Law on the Website.

RULE 403. Market Data

(a) Subject to each Participant's rights in Participant's own data (and the data of its Principal) as set forth in the Participant Documentation, ATF shall own all rights, title and interest, database rights and trade secret rights in and to all data and other information contained in, displayed on, generated by or derived from AOTF or Trades entered into pursuant to the Rules, including Orders, prices and volumes ("OTF Data").

(b) Participants and Authorised Traders shall not, and shall cause their Affiliates, Principals, clients and customers not to, distribute, sell or retransmit OTF Data or other information obtained via AOTF, provided that any such restrictions shall not apply to Participant's own data (and the data of its Principals, clients or customers).

(c) ATF may at any time restrict or establish utilization fees in respect of OTF Data and/or the format and presentation thereof with respect to Participants, Principals, clients and customers, provided that any such fees shall not apply to Participants' use of Participant's own data (and the data of its Principals, clients or customers).

(d) Subject to Rule 405, ATF may make OTF Data and other information it may deem appropriate available to Participants and other Persons at such times and in such manner (whether through AOTF, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time. Each Participant or other Person receiving any such information through AOTF may redistribute such information only to such extent and in such manner as may be permitted by ATF from time to time.

RULE 404. ATF Compliance with Applicable Law; Cooperation with Regulatory Authorities

(a) ATF will comply with all Applicable Law and any request of the FCA or other relevant Regulatory Authority.

(b) ATF may provide full assistance to, and will also supply any relevant information without delay to the FCA and, as required by Applicable Law, to any other Regulatory Authority, in connection with any investigation and prosecution of or enforcement action regarding any actual or suspected Prohibited Trading Practice occurring on or through AOTF.

(c) ATF may report to the FCA, and to the extent that such reporting is required pursuant to Applicable Law to any other relevant Regulatory Authority, any breaches of the Rules, disorderly trading and/or Prohibited Trading Practices.

(d) ATF may disclose information and documents received from any Participant to any Regulatory Authority for any purpose including (without limit) enabling any Regulatory Authority to commence or pursue any investigation or enquiry, or institute, continue or defend any proceedings.

(e) Each Participant shall provide full assistance to the FCA and any other Regulatory Authority, including providing information and documents directly to the FCA or such Regulatory Authority if such direct provision of information is permitted by FCA or such Regulatory Authority, in connection with: (i) any actual or suspected breach of Applicable Law; and/or (ii) any investigation or prosecution of or enforcement action regarding any actual or suspected Prohibited Trading Practice; in each case, to the extent related to Participant's OTF activities.

RULE 405. Confidentiality

(a) All material non-public information provided by a Participant or Authorised Trader to ATF shall be held in confidence and shall not be made known to any other Person except as follows:

- (i) with the prior written consent of the Participant providing such information;
- (ii) to a Regulatory Authority if ATF is requested or legally required to do so by such Regulatory Authority;
- (iii) pursuant to a lawful discovery request;
- (iv) to a Clearing House of which such Participant is a member or in connection with the clearing of a Participant's Trade cleared by such Clearing House;
- (v) to other Participant(s) to facilitate Participant's trading on AOTF;
- (vi) subject to appropriate confidentiality requirements, to any Person providing services to ATF;
- (vii) subject to appropriate confidentiality requirements, to ATF employees, the board, board committees, attorneys, auditors, and agents, independent contractors or other

Persons that have been engaged by ATF, in each case, who require such information in connection with the discharge of their duties to ATF; and

(viii) as otherwise permitted under these Rules.

(b) All information and data obtained or received by ATF from inspections of accounting and other records will be treated as confidential by ATF; however, this Rule does not supplant Rule 208 (Suspension or Termination), in case of Emergency or Force Majeure to the extent that it is necessary to transfer information or data to another duly appointed and, if applicable, duly authorized entity, or any other requirement of legal process or law.

RULE 406. LIMITATION OF LIABILITY, NO WARRANTIES

(a) NONE OF ATF, ITS AFFILIATES OR ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES RELATED TO ATF OR AOTF, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, PARTNERS, CONSULTANTS OR LICENSORS (EACH, A "DISCLAIMING PARTY") SHALL BE LIABLE TO ANY PERSON (INCLUDING ANY PARTICIPANT, AUTHORISED TRADER, PRINCIPAL, AGENT OR ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION ON AOTF) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:

(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF AOTF OR SERVICES OF THE DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH AOTF OR SERVICES, INCLUDING ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA, OTF DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, AUTHORISED TRADERS, PRINCIPALS, OR AGENTS, PRICE REPORTING SYSTEMS AND ANY AND ALL COMMUNICATIONS NETWORKS, SOFTWARE AND HARDWARE RELATING THERETO;

(ii) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF AOTF OR ANY SERVICES OF A DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH TRADING SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING INDEPENDENT SOFTWARE VENDORS OR NETWORK PROVIDERS;

(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE DISCLAIMING PARTY OR IN ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES;

(iv) ANY UNAUTHORISED ACCESS TO OR UNAUTHORISED USE OF ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON; OR

(v) ATF'S PERFORMANCE OF ITS REGULATORY OBLIGATIONS AS AN OPERATOR OF AOTF OR ANY ACTION TAKEN IN ACCORDANCE WITH THESE RULES OR WITH ITS GOOD FAITH UNDERSTANDING OF APPLICABLE LAW.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

(b) NOTWITHSTANDING SUBSECTION (a), (c) or (e) OF THIS RULE 406, IN NO EVENT SHALL ANY AFFILIATE OF ATF ACTING AS MTF TECHNOLOGY SERVICES PROVIDER BE LIABLE TO ANY PERSON NOR SHALL ANY PERSON BRING ANY LEGAL ACTION (WHETHER IN TORT, NEGLIGENCE, OR BREACH OF CONTRACT) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF AOTF.

(c) WITHOUT LIMITING ATF'S INDEMNIFICATION OBLIGATION UNDER RULE 407, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY ANY DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH THE DISCLAIMING PARTY OR DISCLAIMING PARTIES IS A PARTY SHALL BE SUBJECT TO ADJUDICATION AS PROVIDED IN RULE 411 AS IF THE DISCLAIMING PARTY WERE ATF AND THE OPPOSITE PARTY OR PARTIES WERE A PARTICIPANT. ANY ACTIONS, SUITS OR PROCEEDINGS BROUGHT AGAINST ANY DISCLAIMING PARTY MUST BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO CREATE A CAUSE OF ACTION (OR MODIFY THE LIMITATION ON ACTIONS PROVIDED IN RULE 406(a)) AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES.

(e) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL COMBINED AGGREGATE LIABILITY OF ATF SHALL NOT EXCEED (i) £ 20 000 (TWENTY THOUSAND POUNDS) FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED ON A SINGLE DAY, (ii) £ 100 000 (ONE HUNDRED THOUSAND POUNDS) FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR MONTH; AND (iii) £ 1 000 000 (ONE MILLION POUNDS) FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. IN NO EVENT SHALL TOTAL COMBINED AGGREGATE LIABILITY OF ATF FOR ALL CLAIMS AND CLAIMS AGAINST DISCLAIMING PARTIES ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF AOTF OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT ATF OR AOTF, OR THE NEGLIGENCE OR GROSS NEGLIGENCE OF ATF EMPLOYEES, AGENTS OR SUBAGENTS EXCEED £ 1 000 000 (ONE MILLION POUNDS) IN ANY GIVEN CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY, SINGLE MONTH OR SINGLE YEAR CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.

(f) THE LIMITATIONS OF LIABILITY IN THIS RULE 406 SHALL NOT APPLY TO ATF'S INDEMNIFICATION OBLIGATION UNDER RULE 407 AND SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT TO HAVE ENGAGED IN FRAUD OR WILLFUL MISCONDUCT.

(g) NOTHING IN THIS SECTION SHALL BE CONSTRUED AS EXCLUDING OR RESTRICTING:

(i) ANY DUTY OR LIABILITY OF ATF TO PARTICIPANT UNDER THE REGULATORY SYSTEM (AS DEFINED IN THE FCA HANDBOOK) EXCEPT IF AND TO THE EXTENT THAT EXCLUSION OR RESTRICTION OF LIABILITY IS PERMITTED (AND ACCORDINGLY ANY RIGHTS PARTICIPANT MAY HAVE UNDER THE REGULATORY SYSTEM ARE NOT AFFECTED BY THE PROVISIONS OF THIS AGREEMENT);

(ii) ANY LIABILITY OF ATF FOR DEATH OR PERSONAL INJURY INSOFAR AS SUCH DEATH OR INJURY RESULTS FROM THE NEGLIGENCE OF ATF; OR

(iii) ANY LIABILITY OF ATF IN CIRCUMSTANCES WHERE OR TO THE EXTENT THAT LIABILITY CANNOT BE EXCLUDED OR RESTRICTED BY LAW.

RULE 407. Indemnification by ATF

ATF, at its expense, shall indemnify, hold harmless and defend Participant against any loss, claim, demand or expense (including reasonable attorneys' fees) ("Claim") that AOTF or any portion thereof infringes, misappropriates or violates any intellectual property or proprietary rights of any third party; provided, however, that ATF shall not be required to indemnify Participant for any Claim to the extent it arises from or in connection with any

(a) additions, changes or modifications by Participant to AOTF, which changes were not provided by ATF or any of its Affiliates,

(b) use of AOTF in combination with other products or services not provided by ATF or its Affiliates, or

(c) use of AOTF other than as expressly permitted by the Rules or the Participant Documentation.

ATF shall control such defense and all negotiations relative to the settlement of any such Claim. Participant shall promptly provide ATF with Written notice of any claim which falls within the scope of this paragraph (provided that failure to provide such notice shall not relieve ATF of its indemnity obligations hereunder except to the extent it is prejudiced thereby).

RULE 408. Force Majeure

Notwithstanding any other provision of the Rules, ATF shall not be obligated to perform its obligations under the Rules, or any other agreement with a Participant (including the Participant Documentation), or to compensate any Person for losses occasioned by any delay or failure of performance, to the extent a delay or failure of performance is the result of a Force Majeure.

RULE 409. Extension or Waiver of AOTF Rules

ATF may, in its sole discretion, waive, or extend the time period for performing, any act or acts designated by the Rules, but only to the extent such waiver or extension is not inconsistent with the Applicable Law or other applicable regulations.

RULE 410. Amendment, Repeal or New Rule

(a) ATF may in its sole discretion amend or repeal any Rule and/or adopt new Rules. Any such amendment or repeal of a Rule or adoption of a new Rule, shall, upon the effective date of such amendment, repeal or adoption, as applicable, be binding on all Participants and Authorised Traders.

(b) If an amendment or repeal of a Rule or adoption of a new Rule does not materially change the terms or conditions of an Instrument and does not affect the value of open Instruments, then the effective date of any amendment or repeal of a Rule or adoption of a new Rule relating to Instruments is binding on all Instruments entered into before and after the effective date of such amendment, repeal or adoption and, to the extent applicable, before the effective date of such amendment, repeal or adoption.

(c) If an amendment or repeal of a Rule or adoption of a new Rule materially changes the terms or conditions of an open Instrument or affects the value of open Instruments, then the amendment, repeal or adoption of a new Rule shall not affect any open Instruments and shall be binding only on

(i) new Instruments listed for trading after the effective date of such amendment, repeal or adoption, and

(ii) Instruments listed as of the effective date of such amendment, repeal or adoption with no open positions then in existence, unless, in each case, otherwise specifically provided by the ATF board of directors.

(d) ATF will publish any amendments to this Rulebook, other than those amendments which ATF makes in response to an Emergency, on the Website 10 Business Days prior to the effective date of such amendments. Any such publication shall specify the date on which the amendment takes effect. Continued participation on AOTF following the effective date of the amendment constitutes deemed acceptance by the Participant of the amendments and acknowledgement of the revised Rulebook.

RULE 411. Governing Law and Jurisdiction

This Rulebook, any matters arising out of this Rulebook and the relationship between ATF and each Participant shall be governed by the laws of England and Wales without regard to choice-of-law principles that would lead to the application of the law of another jurisdiction.

Annex A

AOTF MARKET ANNEX A

1. Financial Instruments available for trading

- (a) Variance Swaps
- (b) Total Return Swaps

2. Trading Arrangements

Without prejudice to the generality of Rule 203(b) each Participant or its Principal must have a Trading Arrangement with each other Participant with which the Participant desires to enter into Trades or with a Principal of such Participant.

3. Method of Execution

Voice Broking in accordance with ATF Voice Broking Policy.