

TRADITION (UK) LIMITED
ORGANISED TRADING FACILITY

RULEBOOK
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Contents

	Page
PART 1 - General Provisions	
101	Definitions and Interpretation2
102	Application.....6
103	Amendments and Market Circulars.....6
104	The Tradition OTF and Discretion.....6
105	Interaction of the Tradition OTF with other Trading Venues.....7
106	Transaction Reporting.....7
107	Governing Law and Jurisdiction.....8
PART 2 - Participation In the Tradition OTF	
201	Application Procedure9
202	Eligibility9
203	Client Obligations9
204	Access to the System.....10
205	Resignation, Suspension and Termination11
PART 3 – Financial Instruments Traded on the Tradition OTF	
301	Financial Instruments12
PART 4 - Trading Rules	
401	Financial Instruments and Trading Protocols.....13
402	Trades are firm.....13
403	Error Trade Policy13
404	Suspension/Halting of Trading13
405	Market Surveillance.....14
406	Restriction on Certain Trading15
407	Algorithmic Trading15
408	Commodity Position Management and Reporting15
409	Voiding of Transactions Not Accepted for Clearing16
PART 5 - Powers of Tradition And The Appeals Panel	
501	Tradition - Disciplinary Action17
502	Tradition - Sanctions17
503	Tradition - Procedures.....17
504	Appeals Panel – Procedures18
505	Applicability to Client’s Authorised Representatives19
PART 6 - Cooperation With Regulatory Authorities	
601	Cooperation with Regulatory Authorities.....20
PART 7 Other Provisions	
701	Fees and Costs21
702	Obligation to Cooperate21
703	Notice21
1	FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: CREDIT
2	FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: INFLATION DERIVATIVES
3	FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: EMERGING MARKETS
4	FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: BONDS
5	FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: INTEREST RATE DERIVATIVES

- 6 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: INTEREST RATE
OPTIONS
- 7 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: FOREIGN
EXCHANGE DERIVATIVES
- 8 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: EQUITY
DERIVATIVES
- 9 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: REPO
- 10 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: MONEY
MARKETS
- 11 FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: COMMODITIES

PART 1 - GENERAL PROVISIONS**101 Definitions and Interpretation**

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

Algorithmic Trading	means algorithmic trading within the meaning of Article 4(1)(39) of MiFID 2;
Appeals Panel	means a committee which shall be responsible for disciplinary matters and which shall comprise one (1) representative appointed by Tradition and a minimum of two (2) independent representatives, not affiliated with Tradition or any Client involved in the disciplinary matter, appointed by the Committee;
Board	means the board of directors of Tradition;
Cleared Derivative	means a cleared derivative within the meaning of Article 29(2) of MiFIR;
Clearing House	means a financial institution acceptable to Tradition (and so designated by Tradition in accordance with Rule 102.2, from time to time) which provides clearing and settlement services in relation to transactions in financial instruments and which is recognised in the UK pursuant to an order made under Section 292 of the Financial Services and Markets Act 2000;
Client	means a person who has been admitted to participation on the OTF pursuant to the rules set out in Part 2;
Client's Authorised Representatives	means any representative (and, for the avoidance of doubt, there may be multiple Client's Authorised Representatives for any Client) as may be notified to Tradition by the Client in writing (to trading.operations@tradition.com) by the individual appointed in accordance with Rule 204.2 from time to time;
Committee	means the committee which shall be responsible for certain matters set out in these Rules and which shall be comprised of five (5) representatives (two (2) representatives to be appointed by Tradition and three (3) representatives to be elected by the Clients). The three (3) Client representatives shall be elected by joint decision of the ten (10) Clients who are the highest users (by currency amount) of the Tradition OTF and Tradition shall co-ordinate such process. Such election of the Client representatives to the Committee shall take place between 25 th and 31 st May of each calendar year and the appointment of such persons shall be for a period of one (1) calendar year;
Commodity Derivative	means a commodity derivative within the meaning of Article 4(1)(50) of MiFID 2;
Dealing On Own Account	means dealing on own account within the meaning of Article 4(1)(5) of MiFID 2;

Eligibility Criteria	means the criteria which determines eligibility to be a Client and participate in the System, as set out in Rule 202.1;
EMIR	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, and related legislation, commonly, and collectively, known as the European Market Infrastructure Regulation;
Financial Instrument	means a financial instrument admitted to trading on the Tradition OTF from time to time and as described in more detail in a Financial Instrument Appendix;
Financial Instrument Appendix	means the appendix or appendices to these Rules describing the Financial Instruments;
FCA	means the Financial Conduct Authority of the UK, or any successor, substituted or replacement authority in the UK having regulatory oversight of organised trading facilities;
Insolvency Event	means, in relation to any Client: (a) that an order is made by a court of competent jurisdiction, or a resolution is passed, for the liquidation, bankruptcy or administration of such Client or a notice of appointment of a bankruptcy trustee or administrator of such Client is filed with a court of competent jurisdiction; (b) the appointment of a manager, receiver, administrative receiver, administrator, trustee or other similar officer of such Client or in respect of any part or any of its assets; (c) such Client convenes a meeting of its creditors generally or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors generally (otherwise than in the course of a reorganisation or restructuring previously approved in writing by Tradition); (d) such Client is unable to pay its debts as they become due or admits in writing its inability to pay its debts as they are due or is insolvent; (e) a petition is presented for the winding up of the Client, provided that an Insolvency Event shall not have occurred due to the filing of winding-up petition which is discharged, stayed or dismissed within thirty (30) days of commencement; or (f) any action occurs in respect of any Client in any jurisdiction which is analogous to any of those set out in sub-paragraphs (a), (b), (c), (d) or (e) immediately above;

Liquid Market		means a liquid market within the meaning of Article 4(1)(25) of MiFID 2;
Market Abuse		has the meaning given to it in MAR;
Market Abuse Regulation or MAR		means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
Market Circular		means a communication described as such and published (on the Tradition website or otherwise) and/or issued by Tradition (electronically or otherwise), and as may be addressed to Participants generally or to a specific category of Participants, relating to the Tradition OTF;
Market Maker		means a market maker within the meaning of Article 4(1)(7) of MiFID 2;
Market Making Agreement		means the document of the same name (including other documentation referenced therein) entered into between Tradition and a Client acting as a Market Maker;
Market Making Scheme		means the scheme described within the Market Making Agreement;
Matched Principal Trading		means matched principal trading within the meaning of Article 4(1)(38) of MiFID 2;
MiFID 2		means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2016 on markets in financial instruments;
MiFID 2 Transaction Reporting Obligations		means the obligations described in Article 26 of MiFIR;
MiFIR		means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
Multilateral Trading Facility or MTF		means a multilateral trading facility within the meaning of Article 4(1)(22) of MiFID 2;
Non-Financial Entity		means a non-financial entity within the meaning of Article 2 of the so-called “RTS 21” (Commission Delegated Regulation of 1 December 2016 supplementing MiFID 2 “with regard to regulatory technical standards for the application of position limits to commodity derivatives”;
Non-Reporting Client		has the meaning ascribed to it in Rule 106.2;
Organised Trading Facility or OTF		means an organised trading facility within the meaning of Article 4(1)(23) of MiFID 2;
Package Order		means an order which states that two or more orders must be executed simultaneously;

Price List		means the document issued by Tradition from time to time (in accordance with the provisions of the Tradition OTF Client Contractual Arrangements) detailing the fees and costs in relation to the Tradition OTF;
Rules		means these rules as the same may be amended, varied, extended, supplemented or replaced from time to time in accordance with Rule 103;
Sovereign Instrument	Debt	means a debt instrument within the meaning of Articles 4(1)(60) and 4(1)(61) of MiFID 2;
Structured Product	Finance	means a structured finance product within the meaning of Article 4(1)(48) of MiFID 2;
System		means the system, which may comprise both electronic and voice interaction, operated and administered by Tradition for the purpose of the Tradition OTF;
Systematic Internaliser or SI		means a systematic internaliser within the meaning of Article 4(1)(20) of MiFID 2;
Trading Day		means a day on which the Tradition OTF is open for business as indicated in the relevant Financial Instrument Appendix;
Trading Venue		means a trading venue within the meaning of Article 4(1)(24) of MiFID 2;
Tradition		means Tradition (UK) Limited, a private limited company with its registered office at Beaufort House, 15 St Botolph Street, London EC3A 7QX and with registered number 00937647;
Tradition Group Company		means all subsidiary undertakings and parent undertakings of Tradition as well as any subsidiary undertakings of such parent undertakings and “parent undertaking” and “subsidiary undertaking” have the respective meanings ascribed to them in section 1162 of the Companies Act 2006;
Tradition OTF		means the OTF operated by Tradition;
Tradition OTF Client Contractual Arrangements		means the contractual arrangements in place between Tradition and each Client which will govern the Client’s use of the Tradition OTF in respect of applicable Financial Instruments;
Transaction		means where, in respect of a Financial Instrument, a buy and a sell order are matched in the System such that a contract results in accordance with Title II of MiFID 2; 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.

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

102 Application

- 102.1 These Rules set out the terms and conditions which shall apply to participation in and trading on the Tradition OTF for all Clients in order to ensure orderly operation of the relevant market(s) operated by Tradition.
- 102.2 The Clearing House or Clearing Houses (if any) applicable to particular Financial Instruments admitted to trading on the Tradition OTF shall be set out in the applicable Financial Instrument Appendix. Tradition reserves the right to replace, supplement or remove a Clearing House pursuant to the terms of these Rules.

103 Amendments and Market Circulars

- 103.1 Subject to the remaining provisions of this Rule 103, Tradition has the right to amend, extend, vary or supplement the Rules (including the removal and appointment of any Clearing House) from time to time to the extent necessary or desirable in light of prevailing market conditions.
- 103.2 Clients shall be notified of any non-material changes at least ten (10) Trading Days prior to the effective date thereof other than those required to be made without delay by law or regulation. Tradition shall, in its discretion, acting reasonably, decide whether a change is “non-material”.
- 103.3 Tradition will consult with Clients prior to making any material amendments, except those made in an emergency (in which case temporary amendments may be made pending consultation at the earliest possible opportunity) or those required to be made without delay by law or regulation, and Clients will have a minimum of ten (10) Trading Days to comment on proposed changes. Immediately following such consultation period, Tradition shall give to Clients notice of the changes and such changes shall become effective ten (10) Trading Days after such notification.
- 103.4 If any modification of the Rules materially adversely affects the rights or obligations of any Client, that Client may, within five (5) Trading Days of being notified of such modification, resign its participation and cease to be a Client by giving notice in writing to Tradition.
- 103.5 Any amendments, extensions, variations or supplements to the Rules shall be notified to Participants by way of a Market Circular sent to Participants.

104 The Tradition OTF and Discretion

- 104.1 The Tradition OTF enables Clients to enter into Transactions in the manner provided in these Rules.
- 104.2 In accordance with MiFID 2, execution of orders on an OTF is carried out on a discretionary basis. Therefore, subject to any applicable Financial Instrument Appendix and other relevant provisions of these Rules, Tradition, in its operation of the Tradition OTF, will apply a discretion and such discretion shall be either or both of the following circumstances:
 - (a) when deciding to place or retract an order on the Tradition OTF;

- (b) when deciding not to match a specific Client order with other orders available in the System at a given time, provided such discretion is in compliance with specific instructions received from the applicable Client and with its obligations in accordance with Article 27 of MiFID 2 (*Best Execution*).

104.3 Tradition reserves the right to decide if, when and how much of two or more orders it wants to match within the System.

104.4 Tradition shall make available data relating to the quality of execution of transactions on the Tradition OTF, including details about price, costs, speed and likelihood of execution for individual Financial Instruments, to the public, in accordance with the requirements of MiFID 2 and subsidiary legislation.

104.5 Tradition, as operator of the Tradition OTF is responsible for retaining records of all orders and Transactions entered into on the Tradition OTF for a minimum of 5 years.

105 Interaction of the Tradition OTF with other Trading Venues

105.1 The structure of the operation of the Tradition OTF is that interests from clients are *prima facie* received by the Tradition OTF to be held and managed by Tradition, as operator of the Tradition OTF. In sending an interest to the Tradition OTF, therefore, a Client is selecting the Tradition OTF as the trading venue upon which it expects its interest to be managed and, as appropriate, any Transaction to be executed.

105.2 Notwithstanding the generality on Rule 105.1, Tradition, as operator of the Tradition OTF, by its nature, has the discretion on how to handle an interest including whether to show the interest to the market or not. In certain circumstances, therefore, it may be appropriate for Tradition to exercise this discretion in a way that results in a Client's interest being withdrawn from the Tradition OTF to be executed on a third party Trading Venue. Annex A to these Rules provides some illustrative examples by way of guidance.

105.3 Without prejudice to the foregoing, Tradition shall ensure that the Tradition OTF does not connect with another OTF or with an SI in a way which enables orders in the different OTFs or SI to interact. There will be no such absolute restriction in respect of an MTF interacting with the Tradition OTF (subject to such interaction complying with these Rules, and in particular this Rule 105).

105.4 When a transaction is executed the formal venue used for the execution will be confirmed to the Client.

106 Transaction Reporting

106.1 Each Client which is subject to the MiFID 2 Transaction Reporting Obligations shall ensure that it complies with such obligations.

106.2 Tradition, as operator of the Tradition OTF, shall report Transactions which are executed by a Client which is not subject to the MiFID 2 Transaction Reporting Obligations (a "**Non-Reporting Client**"), provided always that:

- (a) such Non-Reporting Client shall provide to Tradition, promptly upon request, all such information required by Tradition in order to report such Transaction in accordance with the requirements of MiFID 2; and
- (b) Tradition, as operator of the Tradition OTF, is reporting such Transactions in its capacity as a traded venue and not for, or on behalf of, the Non-Reporting Client, and

shall have no liability to Non-Reporting Clients in respect of the reporting of any Transactions.

- 106.3 In order to facilitate Tradition's performance of its obligations pursuant to Rule 106.2, each Client shall indicate to Tradition whether or not it is a Non-Reporting Client and shall notify Tradition if such status changes.

107 Governing Law and Jurisdiction

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

PART 2 - PARTICIPATION IN THE TRADITION OTF**201 Application Procedure**

- 201.1 Applications for admission to participate on the Tradition OTF shall be made through the submission to Tradition, at trading.operations@tradition.com of an application pack.
- 201.2 The application must include all supporting information as stipulated in the application form, failing which the application will be returned to the applicant and will not be processed until fully completed.
- 201.3 All fully completed applications shall be determined by Tradition as soon as reasonably practicable and notice promptly provided to the applicant of such determination to the address so notified by the applicant in their application pack.

202 Eligibility

- 202.1 An application for admission to participate on the Tradition OTF will only be considered if the applicant meets the following requirements:
- (a) the applicant:
 - (i) is of sufficient good repute;
 - (ii) has a sufficient level of trading ability, competence and experience;
 - (iii) has, where applicable, adequate organisational arrangements;
 - (iv) has sufficient resources for the role they are to perform, taking into account the different financial arrangements that the venue may have established in order to guarantee the adequate settlement of transactions; or
 - (b) the applicant is an EEA regulated investment firm (as defined under MiFID 2) or a credit institution (as defined under Directive 2013/36/EU) or 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 credit institution or have a status equivalent to an EEA regulated investment firm.
- 202.2 Tradition shall use reasonable efforts and devote appropriate resources for the purpose of undertaking a diligent investigation of the circumstances of the applicant for the purpose of assessing compliance with the Eligibility Criteria.

203 Client Obligations

- 203.1 Each Client will be responsible for all orders and actions taken on the Client's user account by the Client's Authorised Representatives or any other officer, employee or agent of the Client who possesses a valid access permission that would allow such person to submit an order or take any other action on the System (with the exceptions set out in these Rules).
- 203.2 A Client must at all times have adequate systems and controls intended to minimise the risk of error in relation to offers or bids submitted (including cancellations and modifications thereto) to the Tradition OTF and to ensure that its conduct on the Tradition OTF complies with these Rules.

- 203.3 All Clients are responsible for ensuring that their staff are adequately trained to use the Tradition OTF.
- 203.4 Clients are responsible for settling Transactions executed on the Tradition OTF. In the event that such Transactions are in relation to Financial Instruments which are to be cleared, Clients shall be bound by the rules and procedures of the Clearing House in the event of a settlement default provided that nothing in this Rule 203.4 shall prevent Tradition from taking any action in respect of any defaulting Client which Tradition is permitted to undertake under these Rules.
- 203.5 Clients must not, in respect of any of their business on the Tradition OTF:
- (a) commit any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price of, any Financial Instrument; or
 - (b) do or engage in any act or course of conduct which is likely to harm the integrity or stability of the System (including without limitation trading in a disruptive manner).
- 203.6 Clients must inform Tradition, as soon as reasonably practicable, upon the occurrence of any of the following:
- (a) becoming aware that they or any of their respective Client's Authorised Representatives are unable to comply with these Rules;
 - (b) the occurrence of any Insolvency Event relating to the Client;
 - (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 Tradition in accordance with this Rule 203.6 shall be kept confidential and not disclosed to any person other than the relevant Client and Tradition.
- 203.7 Clients are responsible for retaining records of all orders and Transactions entered into on the Tradition OTF for a minimum of 5 years.
- 203.8 Clients must continue to meet the Eligibility Criteria at all times whilst a Client.
- 203.9 Specific Client obligations in relation to particular Financial Instrument types shall be set out in the applicable Financial Instrument Appendix from time to time.
- 203.10 Clients will be bound by these Rules and by any decision of the Committee, Appeals Panel or Tradition made pursuant to these Rules.

204 Access to the System

- 204.1 Clients will be granted access to the System by Tradition in order to enter into Transactions.
- 204.2 Each Client shall appoint at least one individual who is authorised by that Client to make notifications in relation to the appointment, withdrawal or suspension of any of its Client's Authorised Representative. Each Client shall notify Tradition of the identity of the individual appointed for this purpose from time to time. All notifications to Tradition in relation to the appointment, withdrawal or suspension of a Client's Authorised Representative shall be made

by the identified individual and Tradition shall be entitled to ignore any notification made by any other individual.

- 204.3 Every Client shall have in place suitable systems and controls to ensure that only Client's Authorised Representatives are able to access and use the Tradition OTF. No Client shall allow unauthorised third parties to use the System or access the Tradition OTF for any purpose.
- 204.4 Tradition shall maintain in operation continuously during trading hours (and trading hours shall be, for each Financial Instrument, such hours as are stated in the relevant Financial Instrument Appendix) a support helpdesk to which Clients shall have access (by both phone and email) free of charge for support issues related to the System or to any particular Transaction.

205 Resignation, Suspension and Termination

- 205.1 A Client may resign its participation and cease to be a Client by giving ten (10) Trading Days' prior notice in writing to Tradition (or such shorter period as may be required to comply with any applicable law or regulation). Tradition may, in addition, at its absolute discretion waive some or all of the notice period.
- 205.2 Participation may be suspended or terminated in accordance with Part 5 of these Rules. In addition, Tradition may immediately suspend a Client's or an individual's access to the System or any part of the System or any Financial Instrument traded on the System or refuse to accept an order to the System or decline to allocate a personal access code to an individual in the event that Tradition, in its reasonable opinion, considers such action to be necessary to preserve the security or integrity of the System, to prevent violation of laws or regulations or to protect other users of the System from fraud. Tradition shall, so far as reasonably practicable and permitted by applicable law, give affected users reasonable advance notice of any such action and the effective time and date of such action. A Client may appeal a decision to suspend a Client or individual pursuant to this Rule 205.2 in accordance with the provisions set out in Rule 503.5 and any such appeal will be heard in accordance with the provisions of Rule 504 (and for the avoidance of doubt the suspension shall remain in place during the determination of any appeal).
- 205.3 Resignation, suspension or termination of a Client's participation shall be without prejudice to the obligations of the Client under Rules 107, 203.7, 203.9, 203.10, 205.3, 205.4, 205.5, Part 5, Part 6 and Part 7 which shall survive such resignation or termination of the participation and endure through any suspension.
- 205.4 In the event of resignation, suspension or termination of a Client's participation, the Client shall ensure that prior to the effective time and date of the resignation, suspension or termination (as the case may be), any unmatched orders and/or prices which may result in the conclusion of Financial Instrument transactions by such Client have been cancelled. In the event of failure on the part of the Client promptly to effect such cancellation, Tradition shall cancel the unmatched orders and/or prices. Following resignation, suspension or termination, the Client shall continue to be liable to perform Financial Instrument transactions concluded by it prior to the resignation, suspension or termination (as the case may be).
- 205.5 At the time and date that the resignation, suspension or termination of the participation of a Client becomes effective, Tradition shall be entitled to take all measures necessary to prevent the Client concerned from entering into new Transactions on the Tradition OTF.

PART 3 – FINANCIAL INSTRUMENTS TRADED ON THE TRADITION OTF**301 Financial Instruments**

- 301.1 Tradition shall determine which Financial Instruments, from time to time, shall be admitted to trading on the Tradition OTF and the parameters for Transactions to be entered, and shall publish a list of such Financial Instruments on its website. Tradition shall ensure it complies with all applicable laws and regulations prior to admitting a Financial Instrument to be traded on the Tradition OTF.
- 301.2 Full details of Financial Instruments are set out in the applicable Financial Instrument Appendix.
- 301.3 Changes in the specifications of the Financial Instrument types available via the System shall be determined by Tradition and made known to all Clients in accordance with Rule 103.

PART 4 - TRADING RULES**401 Financial Instruments and Trading Protocols**

- 401.1 Details of each Financial Instrument and its trading protocols (including, without limitation details of Product Types, Credit, Orders, Order Book, Clearing/Settlement and Trading Days/Timings) are set out in the applicable Financial Instrument Appendix.

402 Trades are firm

- 402.1 Save as set out in these Rules, or as required by applicable law, all Transactions effected through the System by a Client's Authorised Representatives shall be binding on such Client.
- 402.2 Clients shall be responsible for ensuring that they have the technological and operational arrangements and infrastructure in place to ensure the efficient and timely settlement of Transactions and shall be responsible for the settlement of such Transactions.
- 402.3 When requested, Clients shall provide Tradition with information about the settlement performance of Transactions effected through the Tradition OTF. Depending upon the nature of the Financial Instrument, this may include information on:
- (a) the proportion of the Client's Transactions on the Tradition OTF that are subject of failed or delayed settlement;
 - (b) the number of Transaction rejected for clearing by a Clearing House; and
 - (c) the breakdown of counterparties with which any failed or delayed settlement has occurred.
- 402.4 Clients shall inform Tradition of any major issue affecting settlement of Transactions effected through the Tradition OTF (including without limitation: (i) failure of settlement systems either at the Client or third parties; and (ii) action taken by settlement or clearing agents to restrict or limit the settlement of Transactions by the Client.
- 402.5 When requested by Tradition, Clients shall confirm and provide evidence to demonstrate that a Transaction or range of Transactions has settled, including as appropriate the date and time of settlement of the Transaction.

403 Error Trade Policy

- 403.1 Tradition may cancel a Transaction where it has been entered into and all Clients which relate to such Transaction agree between them to so cancel the Transaction.

404 Suspension/Halting of Trading

- 404.1 Notification of any suspension of trading of the Tradition OTF as a whole, or in respect of one or more Financial Instruments shall be made by Tradition by way of Market Circular as soon as reasonably practicable.
- 404.2 Tradition may at any time suspend trading in whole or in respect of one or more Financial Instrument types, if Tradition, as operator of the Tradition OTF:
- (a) in its discretion and acting reasonably, considers such action necessary to maintain the integrity of the Tradition OTF or the fair and orderly trading on the Tradition OTF (including without limitation where there is a significant price movement in a given

Financial Instrument on the Tradition OTF or a related trading venue during a short period); or

(b) is directed to do so by the FCA or other applicable competent regulatory authority.

404.3 Tradition shall, as soon as practicable, revoke the suspension of trading in whole or in respect of one or more Financial Instrument types if, in its opinion acting reasonably, the reason for such suspension has ceased to exist.

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

404.5 Tradition shall:

(a) not exercise any power under these Rules to suspend or remove from trading any Financial Instrument which no longer complies with these Rules, where such a step would be likely to cause significant damage to the interest of investors or the orderly functioning of the Tradition OTF; and

(b) where it does suspend or remove from trading a Financial Instrument, also suspend or remove derivatives that relate or are referenced to that Financial Instrument, where necessary to support the objectives of the suspension or removal of the underlying Financial Instrument, and in such circumstances make public such decision in accordance with these Rules,

unless Tradition is so directed by the FCA or other applicable competent regulatory authority.

405 Market Surveillance

405.1 Tradition shall maintain in place systems to monitor compliance with the Rules, disorderly trading conditions and conduct that may involve Market Abuse. Tradition shall enforce compliance with these Rules and may take all measures necessary, in accordance with and subject to the provisions of these Rules, to ensure orderly trading and the smooth operation of the System.

405.2 In order to ensure an orderly system functionality, the commencement of trading may, at the order of Tradition, be postponed for the entire System or trading hours may be extended or shortened, provided that Tradition shall be under an obligation to restore normal trading and normal trading hours as soon as reasonably practicable.

405.3 In the event of technical problems that may lead to violation of laws or regulation, error trades or breaches of security, or may materially impact the performance or impact the integrity or stability of the System, Tradition may, for an individual Client or all Clients, temporarily suspend access to or trading through the System, to the extent required as a result of such technical problems.

405.4 In the event of measures being taken which materially affect the operation of the System, the Clients 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 (including, without limitation, by way of Market Circular).

- 405.5 If participation in trading through the System is not possible for individual Clients due to technical disruptions, the System shall continue to be available to other Clients, but Tradition shall be obliged to rectify such technical disruptions as soon as reasonably practicable.

406 Restriction on Certain Trading

- 406.1 Clients acknowledge and agree that, in relation to a certain Financial Instrument and as specified within an applicable Financial Instrument Appendix, it may face as its counterparty a Tradition Group Entity, acting in a Matched Principal Trading capacity. In participating in the trading of such Financial Instrument, therefore, such Clients consent to the Tradition Group Entity acting in such capacity.
- 406.2 Save as described in Rule 406.1 and for the avoidance of doubt, in accordance with the requirements of MiFID 2, Tradition shall not engage in:
- (a) Matched Principal Trading on the Tradition OTF except in bonds, Structured Finance Products, emission allowances and derivatives which have not been declared subject to a clearing obligation in accordance with Article 5 of EMIR, and where the applicable Client has consented; or
 - (b) Dealing On Own Account on the Tradition OTF, excluding Matched Principal Trading, except in Sovereign Debt Instruments for which there is not a Liquid Market.

407 Algorithmic Trading

- 407.1 Clients engaging in Algorithmic Trading on the Tradition OTF shall flag orders generated by such algorithmic trading in order for Tradition to be able to identify the following:
- (a) different algorithms used for the creation of orders; and
 - (b) the Client initiating those orders.

408 Commodity Position Management and Reporting

- 408.1 Tradition, as operator of the Tradition OTF, shall have the power to:
- (a) monitor the open interests of Clients in respect of Commodity Derivatives (this includes analysing data held by the Tradition OTF and, as necessary, requiring Clients to provide additional relevant information that may not be directly available to Tradition (for example, whether Transactions or positions are for hedging or speculative purposes, or whether that Client is classified as a Non-Financial Entity)).
 - (b) require Clients to provide access to information, including all relevant documentation, about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements, and any related assets or liabilities in the underlying market.
 - (c) require a Client to terminate or reduce a position, on a temporary or permanent basis as the specific case may require and to unilaterally take appropriate action to ensure the termination or reduction if the Client does not comply.
 - (d) where appropriate, require a Client to provide liquidity back into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position.

- (e) restrict or halt access to the Tradition OTF if the Client does not comply with any obligations in relation to this Rule 408.1.

409 Voiding of Transactions Not Accepted for Clearing

- 409.1 Where a Transaction in respect of a Cleared Derivative that is concluded on the Tradition OTF electronically is not accepted by the applicable Clearing House, Tradition, as operator of the Tradition OTF shall void such Transaction.
- 409.2 Where a Transaction in respect of a Cleared Derivative, other than a Transaction to which Rule 409.1 applies, is not accepted by the applicable Clearing House, the treatment of the Transaction shall be governed by:
 - (a) these Rules, where the Transaction is submitted for clearing in accordance with these Rules; and
 - (b) the agreement between the applicable Clients in all other situations.
- 409.3 Where the non-acceptance is due to a technical or clerical problem, the Transaction can be submitted for clearing once more within one hour from the previous submission in the form of a new Transaction but with the same economic terms, provided that both applicable Clients have agreed to the second submission. Participants acknowledge that Tradition, as operator of the Tradition OTF, shall not be subject to the requirements of Article 8 of MiFIR for the submission to clearing of the second Transaction.

PART 5 - POWERS OF TRADITION AND THE APPEALS PANEL**501 Tradition - Disciplinary Action**

501.1 Tradition may:

- (a) take disciplinary action against a Client in respect of any act or omission that amounts to a material breach of these Rules in accordance with the procedures made under Rule 503 below; and
- (b) suspend or restrict a Client's (or some or all of the Client's Authorised Representatives') activities on the Tradition OTF 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 Client has committed a material breach of these Rules.

502 Tradition - Sanctions

502.1 Tradition may, in its absolute discretion, impose sanctions on a Client (or some or all of the Client's Authorised Representatives, as it may consider appropriate) for a material breach of the Rules constituting either or both of the following:

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

503 Tradition - Procedures

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

503.2 In the event of any alleged breach or suspected breach by a Client of these Rules, Tradition shall notify the Client of the commencement of an investigation along with reasonably sufficient information to allow the Client 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 Client to take such remedial action so as to ensure the alleged breach or suspected breach does not recur.

503.3 Tradition will investigate the facts of each case, seeking to understand why the alleged Rule breach occurred and will assess whether any remedial action the Client has taken (pursuant to Rule 503.2) is adequate to prevent similar future occurrence.

503.4 In each case, Tradition shall determine whether to impose any of the sanctions in Rule 502 in relation to a breach of the Rules. In coming to such a determination, Tradition shall take into account a number of factors, including without limitation:

- (a) the nature and seriousness of the Rule breach and the duration and frequency of misconduct;
- (b) how the Rule breach came to light (e.g. whether flagged by the Client 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 Client under investigation, and specific history regarding the Rule breach in question and whether any warning notices have previously been issued to the Client 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 Client in relation to the matter under investigation.

503.5 Upon conclusion of its investigation, Tradition will decide what action is necessary in each instance and shall communicate such decision promptly to the Client (including if any action is to be taken). In addition (or in the alternative) to the sanctions described in Rule 502, Tradition may, as an initial step, request that the Client concerned (where this has not already been done pursuant to Rule 503.2) takes remedial action so as to ensure the breach does not recur. Alternatively, Tradition may decide to issue a warning notice to the Client concerned. Tradition shall ensure that any sanction imposed upon a Client is proportionate to the Rule breach in question and, where the sanction is a temporary suspension, such suspension shall cease when the Client has carried out remedial action to Tradition's reasonable satisfaction. For the avoidance of doubt and subject to any other relevant provision of these Rules (including without limitation Part 6), any investigation, action or sanction shall remain confidential.

503.6 During its investigation, Tradition shall permit the Client reasonable opportunity to submit petitions and/or information in relation to the alleged breach and Tradition shall take such submissions into account in reaching a conclusion as to any necessary action.

503.7 A Client shall cooperate with Tradition in the investigation of potential breaches by providing reasonable assistance to Tradition including the provision of information reasonably requested by Tradition, subject to regulatory and confidentiality restrictions.

503.8 For the avoidance of doubt, a Client shall be under no obligation to comply with a request to take remedial action made pursuant to Rule 503.2 or Rule 503.5.

503.9 A Client may appeal a decision of Tradition related to disciplinary action within ten (10) Trading Days of receiving notice of the decision, specifying the grounds upon which the Client is appealing and the reasons why it believes its participation should not be suspended/terminated. Appeals will be heard and decided by the Appeals Panel.

504 Appeals Panel – Procedures

504.1 Following a referral to the Appeals Panel pursuant to Rule 503.7, the Appeals Panel shall convene and make a determination, by majority vote, on the matter within twenty (20) Trading Days of receipt of notice of appeal from the Client. Such determination shall be to uphold, quash or amend the original decision that is the subject of the appeal.

504.2 A Client shall cooperate with the Appeals Panel in the determination of the appeal by providing reasonable assistance to the Appeals Panel including the provision of information

reasonably requested by the Appeals Panel, subject to regulatory and confidentiality restrictions.

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

505 Applicability to Client's Authorised Representatives

- 505.1 Where Tradition identifies activities to which this Part 5 applies, it may, at its election, impose the sanctions set out in Rule 502

PART 6 - COOPERATION WITH REGULATORY AUTHORITIES**601 Cooperation with Regulatory Authorities**

- 601.1 Tradition, which is the operator of the Tradition OTF, is authorised and regulated by the FCA in the UK. Tradition will report to the FCA any significant breaches of the Rules, disorderly trading conditions and conduct that may involve Market Abuse, in each case only as are required to be reported to the FCA under applicable law or regulation.
- 601.2 In addition to its obligations to the FCA, Tradition will assist in any investigation conducted in relation to trading on the Tradition OTF, whether by the FCA or another competent or regulatory authority.

PART 7 OTHER PROVISIONS**701 Fees and Costs**

- 701.1 Fees and costs shall be as set out in, and Clients shall pay such fees and charges in accordance with, the Price List and upon the terms set out in the Tradition OTF Client Contractual Arrangements.

702 Obligation to Cooperate

- 702.1 Clients shall provide all reasonable assistance to Tradition (including without limitation providing information or access to systems, personnel and premises) as may be required to enable Tradition to carry out its obligations under these Rules or under applicable law or regulation.

703 Notice

- 703.1 Except as otherwise specified in these Rules (including, without limitation, a Market Circular), 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.

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

Address: Beaufort House, 15 St Botolph Street, London, EC3A 7QX. For the attention of Head of Compliance, Tradition OTF

Fax: +44 207 454 9405. For the attention of Head of Compliance, Tradition OTF

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

- 703.4 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.

- 703.5 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 INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
CREDIT**1 Credit instrument types**

1.1 The following financial instrument types shall be eligible for admission to the Tradition OTF:

- (a) Single name CDS; and
- (b) Index options.

2 Credit orders

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

2.2 Type of orders

(a) Single name CDS:

(i) Hit or Lift

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

(ii) Limit order (conditional at a level)

Order to buy a specified quantity of CDS at or below a specified price, or to sell it at or above a specified price.

(iii) Switch credit name order

Simultaneous purchase and sale of a specified quantity of CDS based on two different single names.

(iv) Switch curves orders

Simultaneous purchase and sale of a specified quantity of CDS single name at a specified spread based on two different maturity dates.

(b) Index options:

(i) Hit or Lift

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

(ii) Spread between options

Simultaneous purchase and sale of index options based on different:

- Maturity (Calendar Spread);

- Strategies profile (PAY SPD, REC SPD, Risk Reversal);
- Series (Roll).

3 Order Book

- 3.1 The order book contains all orders entered in the System by Clients. Clients may view in the order book all orders per term and Financial Instrument transaction including information as to the contract size. If an order is matched it will be removed from the queue and only live orders will be shown in the System. Orders not matched by the end of the Trading Day will be cancelled and Clients must therefore re-enter their orders into the System on the following Trading Day or specify the period of time they would like the order to remain in the System when entering the order.
- 3.2 Where available a user will have the opportunity to enter an order into the All Day Single Price Volume Matching Pool called “TRADMatch”. Subject to transparency requirements all other customer orders in the matching pool are invisible to the Client but any opposing orders will match automatically. Once an order has been placed in TRADMatch it is possible for the Client to modify the price of the matching pool in a non-favourable direction only.

4 Hybrid Trading Protocol

- 4.1 Tradition Voice Broker (the “**Tradition Broker**”) role:
- (a) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.
 - (b) the Tradition Broker will exercise discretion in accordance with Rule 104.
- 4.2 Tradition’s operations team will have the authorisation to cancel unmatched orders on behalf of a Client.

5 Clearing and Settlement

- 5.1 The Tradition OTF operates on the basis that Credit Transactions shall be effected only between Authorised Clearing Members. If a Client is not itself not an Authorised Clearing Member, it may only effect Transactions through an Authorised Clearing Member that performs the clearing of its Transactions via the System. (For the purposes on this Appendix, “Authorised Clearing Member” shall mean means a Client who is a clearing member of the Clearing House, or has in place a commercial relationship with such a clearing member in order to obtain access to the Clearing House.)
- 5.2 If a Cleared Product Transaction is concluded by a Client, which is not itself an Authorised Clearing Member, a Transaction will be effected between the Client and an Authorised Clearing Member and a corresponding Transaction is simultaneously effected between such Authorised Clearing Member and the Clearing House.
- 5.3 The OTF system functions enable the Clients to negotiate the contract components of the relevant Financial Instrument Transaction.
- 5.4 Notwithstanding the foregoing, Clients may jointly instruct a clearing connectivity provider to route a cleared product Transaction to direct bilateral settlement between such Clients, and not for clearing via a Clearing House.

6 Credit Trading Day timings

- 6.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.
- 6.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 2

**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
INFLATION DERIVATIVES**

1 Inflation derivative product types

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

2 Inflation orders

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

3 Order Book

- 3.1 The order book contains all orders entered in the System by Clients. The Clients may view in the order book all orders per term and Transaction including information as to the contract size. If an order is matched, it will be removed from the queue - only live orders will be shown in the System. Orders not matched by the end of the Trading Day will be cancelled and Clients must therefore re-enter their orders into the System on the following Trading Day or specify the period of time they would like the order to remain in the System when entering the order.
- 3.2 The Auction order book contains all orders entered in the System by Clients during the Auction Period. Clients may view in the Auction order book all orders per term and Financial Instrument Transaction including information as to the contract size. Subject to transparency requirements all other Client orders in the matching pool are invisible to the Client but any opposing orders will match automatically. If an order is matched it will be removed from the

queue and only live orders will be shown in the System. Orders not matched by the end of the Auction Period will be cancelled.

- 3.3 Where trades are matched in an Auction, priority will be given to the earlier price submitted to the System. Prices are valid only until the end of such an Auction.

4 Hybrid Trading Protocol

- 4.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.
- (b) the Tradition Broker will exercise discretion in accordance with Rule 104.

- 4.2 Tradition’s operations team will have the authorisation to cancel unmatched orders on behalf of a Client.

5 Clearing and Settlement

- 5.1 The clearing of Financial Instruments traded on the System shall be for the determination of the Client and shall not be the responsibility of Tradition.
- 5.2 The System functions enable the Clients to negotiate the contract components of the relevant Financial Instrument Transaction.
- 5.3 Notwithstanding the foregoing, Clients may jointly instruct a clearing connectivity provider, to route a Cleared Product Transaction to direct bilateral settlement between such Clients, and not for clearing via a Clearing House.

6 Inflation Trading Day timings

- 6.1 Trading on the Tradition OTF principally shall take place on the days determined by the Tradition. The Tradition reserves the right at any time not to make available Financial Instruments trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.
- 6.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by the Tradition and made known to all Clients.
- 6.3 Trading in an Auction on the Tradition OTF shall be at such times advertised from time to time to the Clients and normally within the Inflation Trading Day.

7 Miscellaneous

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

Auction	means a limited-time volume matching phase in which Clients are facilitated to buy or sell Financial Instruments at a pre-determined Auction Price;
Auction Period	means the period of time in an Auction during which Clients may submit or modify orders; and

Auction Price

means the price at which matching buy and sell orders will be transacted in an Auction.

APPENDIX 3

FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF: EMERGING MARKETS

1 Products

1.1 Emerging Markets covered by the Tradition OTF include the following securities:

- (a) Eastern European Bonds: Government and Corporate;
- (b) EMEA Bonds; and
- (c) South American Bonds.

2 Auctions - Timings, Characteristics and Process

- 2.1 Auctions in respect of EM Bonds on the Tradition OTF shall take place on such days and at such times as Tradition may notify to Clients from time to time. Tradition shall notify Clients of an Auction no later than within 30 minutes of the commencement of the Trading Day on which the Auction shall take place. In relation to Auctions on the Tradition OTF, the Trading Day shall commence at 07.15 (GMT/BST).
- 2.2 An Auction shall be at a mid or Auction fixed price for each security displayed, with such fixed price being specified by Tradition immediately prior to the Auction's commencement.
- 2.3 Multiple Auctions for different product types may be undertaken concurrently.
- 2.4 Any of the above product types or combinations thereof (strategies) may be put up for an Auction where there is an unambiguous Auction Price which may be an outright rate or the difference between two rates (a spread or margin) or some other calculated quantity.
- 2.5 At any time during an Auction, Tradition may, by notifying all Clients, 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.
- 2.6 At any time prior to the commencement of an Auction, Tradition may, by notifying all Clients, cancel such Auction.

3 Auctions – Volume Matching Session

- 3.1 In an Auction, the order book contains all orders entered in the System by the Clients, but subject to transparency requirements all other Client orders in the matching pool are invisible to the Client but any opposing orders will match automatically, matching strictly on a 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.
- 3.2 At the termination of the Auction details of successful executions will be notified to clients (usually by voice followed by electronic confirmation which is typically Bloomberg VCON message).

4 Hybrid Trading Protocol

- 4.1 Tradition Voice Broker (the “Tradition Broker”) role:

- (a) the Tradition Broker may input, amend, cancel orders on a Client's Authorised Representative's behalf.
 - (b) the Tradition Broker will exercise discretion in accordance with Rule 104.
- 4.2 Tradition's operations team will have the authorisation to cancel unmatched orders on behalf of a Client.
- 4.3 The Tradition Broker cannot be responsible for delays in carrying out a request by the Client's Authorised Representative that results in the trade being filled electronically or a trade being missed. The Tradition Broker will use reasonable endeavours to fill the request in a responsible and timely manner.
- 4.4 A voice order from a Client's Authorised Representative to a Tradition Broker to hit an electronic bid or take an electronic offer (hybrid order) will not, in itself, be a guarantee to trade. The Tradition Brokers will use reasonable endeavours to get the order filled but the only guarantee to trade on an electronic price is the Client's Authorised Representative trading direct ("click and trade") which is itself subject to system latency and electronic communications delays.
- 4.5 It is the Client's authorised trader's (and ultimately the Client's) sole responsibility to monitor its own electronic trading flow and execution.

5 Trading Day timings

- 5.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.
- 5.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

6 Miscellaneous

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

Auction	means a limited-time volume matching phase in which Clients are facilitated to buy or sell Financial Instruments at a pre-determined Auction Price;
Auction Period	means the period of time in an Auction during which Clients may submit or modify orders; and
Auction Price	means the price at which matching buy and sell orders will be transacted in an Auction.

APPENDIX 4

FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
BONDS**1 Products**

1.1 Bonds covered by the Tradition OTF include the following securities:

- (a) Sovereign Bonds;
- (b) Public Bonds;
- (c) Convertible Bonds;
- (d) Covered Bonds;
- (e) Corporate Bonds;
- (f) Government Bonds; and
- (g) Gilts.

2 Bond Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Credit Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.

4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

5 Convertible Bonds Auctions - Timings, Characteristics and Process

- 5.1 Auctions in respect of Convertible Bonds on the Tradition OTF shall take place on such days and at such times as Tradition may notify to Clients from time to time. Tradition shall notify Clients of an Auction no less than 15 minutes prior to its proposed commencement.
- 5.2 An Auction shall be at a mid or Auction fixed price for each security displayed, with such fixed price being specified by Tradition immediately prior to the Auction's commencement.
- 5.3 At any time during an Auction, Tradition may, by notifying all Clients, 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.
- 5.4 At any time prior to the commencement of an Auction, Tradition may, by notifying all Clients, cancel such Auction.
- 5.5 The minimum permissible size and volume increments for each security shall be specified by Tradition immediately prior to the Auction's commencement.

6 Auctions – Volume Matching Session

- 6.1 In an Auction, the order book contains all orders entered in the System by the Clients, but subject to transparency requirements all other Client orders in the matching pool are invisible to the Client but any opposing orders will match automatically, matching strictly on a 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.
- 6.2 Once orders are matched, the Client will receive a notification on screen.

7 Miscellaneous

For the purposes of this Appendix 4, the following definitions will apply:

Auction	means a limited-time volume matching phase in which Clients are facilitated to buy or sell Financial Instruments at a pre-determined Auction Price;
Auction Period	means the period of time in an Auction during which Clients may submit or modify orders;
Auction Price	means the price at which matching buy and sell orders will be transacted in an Auction.

APPENDIX 5

**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
INTEREST RATE DERIVATIVES**

1 Products

1.1 Interest Rates Derivatives covered by Tradition OTF include the following Financial Instruments:

- (a) Fixed-to-Float multi-currency swaps;
- (b) Fixed to Float Cross currency swaps;
- (c) Forwards on Fixed-to-Float multi-currency swaps or cross currency swaps;
- (d) Overnight Index Swap (OIS);
- (e) Single currency swaps;
- (f) Forwards on Overnight Index Swap (OIS);
- (g) Forwards on single currency swaps;
- (h) Basis Swaps; and
- (i) Forward Rate Agreements (FRA).

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.

- 4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 6

**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
INTEREST RATE OPTIONS**

1 Products

1.1 Interest Rates Options covered by Tradition OTF include the following financial instruments:

- (a) Interest Rate Options.

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Periodic Volume Matching Pool

3.1 A participant will have the opportunity to enter an order into our Periodic Volume Matching Pool. Subject to transparency requirements all other Client orders in the matching pool are invisible to the Client but any opposing orders will match automatically. Once an order has been placed it is possible for the Client to modify the price of the matching pool in a non-favourable direction only.

4 Voice Trading Protocol

4.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

5 Trading Day timings

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

5.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 7

**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
FOREIGN EXCHANGE DERIVATIVES**

1 Products

1.1 Foreign exchange derivatives covered by Tradition OTF include the following Financial Instruments:

- (a) Non-deliverable forward (NDF);
- (b) Deliverable FX forward Strategies;
- (c) FX Forwards.

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to the Clients.

4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 8

**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
EQUITY DERIVATIVES**

1 Products

1.1 Equity Derivatives covered by the Tradition OTF include the following Financial Instruments:

- (a) Stock Index Options;
- (b) Single Stock Options;
- (c) Exchange for Physicals;
- (d) Equity derivative Swaps; and
- (e) Delta One.

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.

4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 9

FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
REPO**1 Products**

1.1 Repo markets covered by the Tradition OTF include the following Financial Instruments:

- (a) European Repo;
- (b) Corporate Repo; and
- (c) Bond repo.

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.

4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 10

FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
MONEY MARKETS**1 Products**

1.1 Money markets covered by the Tradition OTF include the following Financial Instruments:

- (a) Certificates of Deposit;
- (b) Government Bonds; and
- (c) T Bills.

2 Type of Orders

2.1 Hit or Lift

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

2.2 Limit order (conditional at a level)

Order to buy a specified quantity of the products at or below a specified price, or to sell it at or above a specified price.

3 Voice Trading Protocol

3.1 Tradition Voice Broker (the “**Tradition Broker**”) role:

- (a) the Tradition Broker will exercise discretion in accordance with Rule 104.
- (b) the Tradition Broker may input, amend, cancel orders on a Client’s Authorised Representative’s behalf.

4 Trading Day timings

4.1 Trading on the Tradition OTF principally shall take place on the days determined by Tradition. Tradition reserves the right at any time not to make available Financial Instrument trading on individual days or to determine additional Trading Days after prior announcement thereof to Clients.

4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

APPENDIX 11**FINANCIAL INSTRUMENTS TRADEABLE ON THE TRADITION OTF:
COMMODITIES****1 Commodities – Instrument types**

1.1 The following commodity Financial Instrument types shall be eligible for admission to and capable of being traded on the Tradition OTF:

(a) Electricity:

- (i) ITALY FIN BASE
- (ii) ITALY FIN OFF PEAK
- (iii) ITALY FIN PEAK (08-20)
- (iv) ITALY FIN PZN BSLD
- (v) SERBIA-BASELOAD
- (vi) SERBIA-HT (06-22)
- (vii) SERBIA-PEAKS (08-20)
- (viii) Spain FIN BSLD
- (ix) Spain FIN Off-Peak (00-08, 20-24)
- (x) Spain FIN Peaks (08-20)
- (xi) Swiss BSLD
- (xii) Swiss Peaks
- (xiii) Swiss Off-Peak
- (xiv) TURKEY-(TRL)-BSLD-(TRT 00-24)
- (xv) TURKEY-(TRL)-DOMESTIC-OFFPEAK-(TRT 00-08, 20-24)
- (xvi) TURKEY-(TRL)-DOMESTIC-PEAK-(TRT 08-20)
- (xvii) PSV Day Ahead Heren – FIN
- (xviii) PSV DA Heren/TTF DA Heren - FIN

(b) Emissions:

- (i) EU Allowances

plus any other commodity Financial Instrument as may be added by Tradition from time to time and notified to Clients in accordance with Rule 103.

2 Commodities - Orders

- 2.1 Prices shall remain valid, until changed or cancelled by the Client.
- 2.2 The following order types are supported:
- (a) 'Day': The order will be valid during the current normal trading session only.
 - (b) 'Good 'Til Date' (GTD): The order will participate in all normal trading sessions incurred until and including the specified date.
 - (c) 'Good 'Til Cancelled' (GTC): The order will participate in all normal trading sessions until cancelled by the Client.
 - (d) 'All Or Nothing' (AON): All (but not part) of the order must be filled in order for the order to be executed against.
- 2.3 All orders must meet the minimum size levels specified from time to time.

3 Commodities - Clearing and Settlement

- 3.1 Where a commodity Financial Instrument is eligible for clearing and settlement, the Client counterparties to any Financial Instrument Transaction can instruct Tradition to submit such transaction to the applicable clearing house for clearing and settlement.

4 Commodities - Trading Days and timings

- 4.1 Trading on the Tradition OTF for commodities shall take place on each Business Day. Tradition reserves the right to determine additional Trading Days after prior announcement thereof to Clients. For the purposes of this paragraph, "**Business Day**" means every weekday in London other than Easter Monday, Christmas Day and New Year's Day and such other public holidays as may be market convention for a particular market.
- 4.2 Trading on the Tradition OTF will be available between 07.00 and 17.00 (GMT/BST) or for such other periods as may be determined by Tradition and made known to all Clients in accordance with Rule 103.

5 Voice Trading Protocol

- 5.1 Tradition Voice Broker (the "**Tradition Broker**") role:
- (a) the Tradition Broker may input, amend, cancel orders on a Client's Authorised Representative's behalf.
 - (b) the Tradition Broker will exercise discretion in accordance with Rule 104.
- 5.2 Tradition's operations team will have the authorisation to cancel unmatched orders on behalf of a Client.
- 5.3 The Tradition Broker cannot be responsible for delays in carrying out a request by the Client's Authorised Representative that results in the trade being filled electronically or a trade being missed. The Tradition Broker will use reasonable endeavors to fill the request in a responsible and timely manner.

- 5.4 A voice order from a Client's Authorised Representative to a Tradition Broker to hit an electronic bid or take an electronic offer (hybrid order) will not, in itself, be a guarantee to trade. The Tradition Brokers will use reasonable endeavors to get the order filled but the only guarantee to trade on an electronic price is the Client's Authorised Representative trading direct ("click and trade") which is itself subject to system latency and electronic communications delays.
- 5.5 It is the Client's Authorised Representative's (and ultimately the Client's) sole responsibility to monitor its own electronic trading flow and execution. Neither Tradition, nor the Tradition Broker, is responsible for reporting the electronic trades that Clients have executed on the Tradition OTF, except as otherwise stated in the Rules.

Annex A to the Tradition OTF Rulebook

Interaction of the Tradition OTF with other Trading Venues – Guidance

Illustrative examples of where a Client's interest may be withdrawn from the Tradition OTF to be handled outside of the Tradition OTF include:

- (1) where both an OTF and MTF are operated by Tradition, Tradition, as operator of the Tradition OTF, may take the decision that the most appropriate way to handle an interest is to remove it from the Tradition OTF to submit it to a Tradition MTF covering the same instruments. Note that this is separate from the Tradition OTF interacting with such an MTF where the Tradition OTF 'side' of the transaction would continue to be handled in accordance with these Rules.
- (2) where there are multiple variations of the same Financial Instrument traded on multiple venues, Tradition, as operator of the Tradition OTF, may take the decision that the most appropriate way to handle an interest is to formalise the Transaction on another venue (for example where it is known that there is a matching interest). The other venue may be an OTF, in which case a formal withdrawal of the interest from the Tradition OTF will be required to facilitate any transaction, so that both sides of the transaction will be done on the same venue, given the restriction of an OTF interacting with another OTF under MiFID 2, while on other venues it will depend upon whether facilitating the transaction by venue interaction is most appropriate or whether it is more appropriate to facilitate the interaction of both interests under the rules and procedures of a single venue.
- (3) where there are other external factors affecting the execution of a Transaction, this may influence the way in which such Transaction is executed and which may require a formal withdrawal of the Client's interest from the Tradition OTF in order to facilitate an interaction on another venue. An example of this scenario is the Swap Execution Facility (SEF) trading requirements under Dodd-Frank in the US: if a Client provides the Tradition OTF with an interest and the potential matching interest is from a US person, this may only be permissible for execution on a SEF, in which case Tradition, as operator of the Tradition OTF, may formally have to withdraw the interest from the Tradition OTF in order to introduce the interest to the SEF to facilitate the execution on behalf of both parties.