



42 Financial Services

Multilateral Trading Facility

RULEBOOK

September 2016

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1 Interpretation and Definitions

1.1 Interpretation

- 1.1.1 Unless the context otherwise requires, headings are inserted for convenience only and do not affect the construction of the Rulebook.
- 1.1.2 These Rules supplement and form part of the Agreements. In the event of conflict between the Agreements and these Rules, these Rules shall take precedence.
- 1.1.3 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.
- 1.1.4 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa. Words used in the masculine gender include the feminine and neuter. A reference to persons in this Rulebook shall include a reference to legal persons and natural persons as the context requires.

1.2 Definitions

- 1.2.1 **42FS Broker:** 42FS as a broker acting on behalf of its clients.
- 1.2.2 **42FS MTF:** The Multilateral Trading Facility operated by 42FS and which is authorised by Czech National Bank and allocated the MIC code reference FTFS.
- 1.2.3 **Affiliates:** In respect of any party, Persons who control, are controlled by or are under the common control of such party.
- 1.2.4 **Agreements:** The agreement(s) governing the Participant's access to and use of the 42FS MTF, which may include without limitation any of the following items which apply to the Participant: 42FS Trading System Terms and Conditions, any other associated electronic terms concerning use of the 42FS MTF, the client classification letter, the brokerage letter and any documents referred to therein. For the avoidance of doubt the Agreements shall include this Rulebook.
- 1.2.5 **Applicable Law:** Any statute, law, regulation, rule or guidance of any Regulatory Authority applicable to such Person, including similar foreign laws or regulations.
- 1.2.6 **Applicant:** A Person who has applied to become a Participant in accordance with this Rulebook.
- 1.2.7 **Auction:** The process for trading Products set forth in Section 5.6.3 of the Rules.
- 1.2.8 **Registered Trader:** A user of the 42FS MTF being a Participant's authorised employee, officer, agent, affiliate or designee as notified to the 42FS by Participant.
- 1.2.9 **Business Day:** Days between and including Monday to Friday and do not include public holidays and weekends.
- 1.2.10 **Default Event:** Where an event or circumstance leads the 42FS to determine in its sole discretion that Participant is or appears to be unable or likely to become unable to meet its obligations in respect of an Order or Trade or to comply with any other obligation under the Rules or the Agreements, or breaches a law relevant to its business as a Participant.
- 1.2.11 **Direct Market Access:** A third party (other than a natural person) or an automated trading system that a Participant has authorised to transmit Orders to the authorising Participant's internal trading systems for automatic onward transmission to the 42FS MTF on behalf of such Participant.
- 1.2.12 **Documentation:** The agreement(s) between two Participants containing the underlying terms and conditions that govern the contractual obligations in respect of Trades in the Eligible Instrument between those two Participants.
- 1.2.13 **Eligibility Criteria:** The criteria for eligibility for Participation on 42FS MTF as set out in this Rulebook.

- 1.2.14 **Eligible Instrument:** The instrument or instruments available to trade on the 42FS MTF (also **42FS MTF Product(s)**) in accordance with this Rulebook, except shares or securities equivalent to shares and depositary receipts for shares.
- 1.2.15 **Emergency:** Any occurrence or circumstance which threatens or may threaten such matters as the fair and orderly trading in, or the liquidation of or delivery pursuant to, Eligible Instrument, and which, in the opinion of 42FS, requires immediate action, including: any manipulative or attempted manipulative activity; any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; any circumstances which may materially affect the performance of Eligible Instrument, including default, bankruptcy or insolvency of any Participant; any action taken by any Regulatory Authority, regulated market, MTF or any other market, facility or clearing organization which may have a direct impact on trading on the 42FS MTF or clearing and settlement of an Eligible Instrument; and any other circumstance which may have a severe, adverse effect upon the functioning of 42FS.
- 1.2.16 **Erroneous Order:** An Order submitted to 42FS MTF in error either as to price, quantity, currency, direction, Eligible Instrument, or symbol.
- 1.2.17 **Error Trade:** A Trade made on the 42FS MTF in error as to price, quantity, currency, direction or MTF Product. Without limitation, the unavailability of counterparty credit shall not by itself render a Trade an Error Trade.
- 1.2.18 **Hybrid Broking Model:** A model whereby 42FS can provide both voice and electronic brokerage services.
- 1.2.19 **Implied Order:** A synthetic order generated by the 42FS MTF from Participant Orders that are already submitted into the Order Book.
- 1.2.20 **Indication of Interest:** A non-firm expression of trading interest by a Participant, Sponsored Access Firm or Registered Trader containing the following: buy or sell interest, quantity and price.
- 1.2.21 **Instrument Type:** The grouping of Eligible Instruments within a Product.
- 1.2.22 **Insolvency Event:** Where a Participant or its parent company (whether direct or indirect) or ultimate holding company:
- a) is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more creditors with a view to rescheduling its indebtedness; or
 - b) has assets whose value is less than their liabilities; or
 - c) has a moratorium declared in respect of their indebtedness; or
 - d) is subject to any similar events or analogous proceedings in other relevant jurisdictions.
- 1.2.23 **Market Abuse Directive:** Directive issued by the European Parliament and of the Council dated 28 January 2003 on market abuse (Directive No 2003/6/EC) as amended or replaced from time to time.

- 1.2.24 **Market Notice:** A notice published or issued by 42FS to Participants from time to time in accordance with the Rulebook.
- 1.2.25 **Match or Matched:** The Match of a buy Order with a sell Order on the 42FS MTF in accordance with this Rulebook.
- 1.2.26 **MIC Code:** A market identifier code.
- 1.2.27 **MiFID:** The European Parliament and Council Directive on Markets in Financial Instruments (No. 2004/39/EC) as amended or replaced from time to time.
- 1.2.28 **MTF:** A Multilateral Trading Facility as defined by article 4 (1) (15) MiFID.
- 1.2.29 **Nominee:** A Person nominated by a Participant to become a Sponsored Access Firm.
- 1.2.30 **Non-MTF Product:** A financial instrument listed for trading through the Non-MTF Services.
- 1.2.31 **Non-MTF Product Market:** The overall grouping of the relevant Non-MTF Products listed for trading through the Non-MTF Services.
- 1.2.32 **Non-MTF Services:** All electronic, voice and other trading systems provided by 42FS for the trading of financial instruments, other than those provided through the 42FS MTF.
- 1.2.33 **Operator:** 42FS in its capacity as the authorised provider of the 42FS MTF.
- 1.2.34 **Order:** Any bid or offer to buy or sell a MTF Product according to the Rules (including bids and offers submitted in connection with an Auction), and includes any modification to or cancellation of such a bid or offer, but does not include an Indication of Interest.
- 1.2.35 **Order Book:** The 42FS MTF facilities made available by the 42FS for the submission of Orders and the Match of Trades.
- 1.2.36 **Participant:** A person authorised by the 42FS to participate on 42FS MTF in accordance with the Rulebook Section 3. Participation who is able to submit Orders to the 42FS MTF and whose admission has not been terminated.
- 1.2.37 **Participation:** A Participant's activity on 42FS MTF.
- 1.2.38 **Person:** Any natural person, association, partnership, limited liability company, joint venture, trust or corporation.
- 1.2.39 **MTF Product Market:** The overall grouping of the relevant Eligible Instruments listed for trading on the 42FS MTF as detailed in the relevant MTF Product Appendix.
- 1.2.40 **Product Appendix/Appendices:** The Appendix/Appendices to the Rulebook. The Appendices form part of the Rulebook and are updated from time to time on 42FS website (<http://www.42fs.com>).
- 1.2.41 **Regulator:** The national authority designated by each member state of the European Union in accordance with Article 48 of MiFID and any other relevant regulatory or competent authority having jurisdiction over relevant matter, as the case may be.
- 1.2.42 **Rules:** The rules set out in this 42FS MTF Rulebook and any Market Notice each as may be amended from time to time.

- 1.2.43 **Rulebook:** The Rules governing the operation of the 42FS MTF in force from time to time and any amendment made thereto.
- 1.2.44 **Sponsored Access Firm:** A third party (other than a natural person) that is authorised by a Participant to submit Orders into the MTF in such Participant's name.
- 1.2.45 **Trade or Transaction:** Any sale or purchase of an Eligible Instrument / MTF Product that takes place on the 42FS MTF.
- 1.2.46 **Trading Day(s):** The day(s) on which the 42FS MTF is made available to Participants.
- 1.2.47 **Trading Hours:** The hours during a Trading Day(s) which the 42FS MTF is scheduled to operate in respect of such MTF Product(s).
- 1.2.48 **Terms of Business:** Terms of Business (also Agreement) in place between 42FS and the relevant Participant(s), as may be supplemented or amended from time to time.

2 Trading Facility

- 2.1.1 The Trading Facility is provided by 42FS for purposes of permitting access to:
 - (a) the MTF (42FS MTF); and
 - (b) the Non-MTF (42FS Non-MTF) Services.
- 2.1.2 42FS shall at all times clearly identify to each Person accessing the Trading Facility whether such Person is accessing:
 - (a) the 42FS MTF, in respect of an MTF Product or MTF Product Market; or
 - (b) the 4FS Non-MTF Services, in respect of a Non-MTF Product or Non-MTF Product Market.

3 Participation

3.1 Application Procedure

- 3.1.1 An Applicant may apply to become a Participant of the 42FS MTF at any time by submitting a written application (including by email), including all relevant supplementary materials, in the form and manner required by 42FS.
- 3.1.2 Participation is open to Applicants who meet the Eligibility Criteria (Section 4. of the Rules) and who commit to these Rules, the Agreements and any guidance or other requirements of 42FS.
- 3.1.3 42FS may require the Participant to demonstrate that the Eligibility Criteria are met, as outlined in Section 4 of the Rules.
- 3.1.4 42FS may in its absolute discretion approve or reject applications or approve an application subject to such conditions and/or restrictions as it considers appropriate.
- 3.1.5 42FS shall notify the Applicant of its decision in writing (including by email) with Participation becoming effective on such date and at such time as 42FS may specify.
- 3.1.6 Where an application is approved, Participants will be authorised and permissioned to participate on the 42FS MTF as detailed in the above notice.
- 3.1.7 Participants shall not permit or allow any third party (whether an Affiliate of the Participant or otherwise) to access the 42FS MTF, for example via Sponsored Access or Direct Market Access, unless authorised to do so by the 42FS.
- 3.1.8 42FS may consider an application from a Participant who wishes to provide Sponsored Access to the 42FS MTF for one or more of its clients. To enable 42FS to assess such a request, Participants will be required to complete a questionnaire in respect of their underlying client. 42FS may refuse such application or impose conditions on any approval granted in respect of such application. 42FS shall also have the power to rescind or modify any such approval after being granted. Participant shall be required to enter into a Sponsored Access agreement with 42FS in a form determined by 42FS.
- 3.1.9 42FS will make available a list of Participants upon request.

4 Eligibility

4.1.1 The Participant may not be a natural person or a retail client (as defined in Article 4(1)(12) of MiFID), shall meet and shall continue to meet all of the following Eligibility Criteria throughout its Participation:

- (a) Satisfy 42FS's internal client on-boarding requirements, and be classified by 42FS as an Eligible Counterparty or Professional Counterparty (as defined under MiFID); and
- (b) Is either regulated investment firm or credit institution (as defined under MiFID), or satisfy 42FS as required that it is fit and proper to become a Participant, with adequate organisational arrangements in place and sufficient level of trading ability and competence; and
- (c) Have Terms of Business (Agreement) in place with 42FS; and
- (d) Have all registrations, authorisations, approvals and/or consents required by Applicable Law in connection with trading in the MTF Products on the 42FS MTF; and
- (e) Have adequate experience, knowledge and competence to trade MTF Products on the 42FS MTF (including Participant's Registered Traders); and
- (f) Is authorised to trade the MTF Products on the 42FS MTF as a principal or trade on own account without any regulatory limitations other than standard limitations; and
- (g) Satisfy 42FS as to its adequate arrangements for entering into Trades, Order management, clearing (if relevant) and settlement of all Trades executed on the 42FS MTF; and
- (h) Have adequate internal controls that are reasonably designed to promote fair and orderly trading on the 42FS MTF, minimise trading errors, preserve the integrity and stability of the 42FS MTF and prevent breaches of the Rules and of Applicable Law; and
- (i) Be able to provide 42FS (if requested) with such information as 42FS may require in relation to the validity of any Order or Trade; and
- (j) Have adequate organisational procedures and controls to limit Error Trades and the submission of Erroneous Orders to the 42FS MTF; and
- (k) Be able to satisfy the technical specifications and standards required by 42FS for Participation on the 42FS MTF; and
- (l) Have appropriate arrangements for the orderly settlement of Trades the Eligible Instruments on the 42FS MTF; and
- (m) Meet such further Eligibility Criteria as 42FS may prescribe from time to time with regard to Participation.

4.1.2 42FS MTF may institute such investigation to verify information by the Participant as it deems necessary. 42FS MTF may require the Participant or one or more representatives of the Participant to attend for an interview by 42FS MTF.

4.2 Sponsored Access Firms

- 4.2.1 A Participant may wish to authorise one or more Persons (Nominee) to be granted access to the 42FS MTF to act as Sponsored Access Firms. 42FS may permit the Participant to authorise the Nominee to act as a Sponsored Access Firm, subject to continued compliance by the Participant and the Nominee with Section 4.2 of the Rules.
- 4.2.2 The nominating Participant represents and warrants to 42FS in respect of each Nominee that:
- (a) all Orders from the Nominee will pass through the nominating Participant's pre-trade controls;
 - (b) it has carried out due diligence on the Nominee verifying that the Nominee has adequate systems and controls in place, including pre- and post-trade controls, such that the Nominee's access to, and use of, the 42FS MTF does not adversely affect compliance with the Rules, lead to disorderly trading or facilitate conduct that may involve market abuse;
 - (c) it will provide 42FS with such documentation and access to its systems and procedures as 42FS reasonably requires pursuant to its obligations under Applicable Law;
 - (d) it has the authority, at 42FS's request, to adjust or withdraw any Order submitted under the Trader IDs assigned to the Nominee and to the Nominee's 42FS MTF Registered Traders;
 - (e) it shall cooperate, and shall procure the Nominee's cooperation, in any testing, due diligence or other review process that 42FS reasonably requests in connection with Nominee's access to, and use of, the 42FS MTF through an automated trading system.
- 4.2.3 By agreeing to act as a Sponsored Access Firm, the Nominee agrees:
- (a) to be bound by the duties and responsibilities of a Sponsored Access Firm and to be subject to, and to comply with, the Rules;
 - (b) to cooperate promptly and fully with 42FS in any investigation, inquiry, audit, examination or proceeding regarding compliance with the Rules; and
 - (c) to be deemed to have represented and warranted to 42FS and to its nominating Participant that it has all registrations, licenses and consents required by its constituent documents and by Applicable Law to transact in the Eligible Instruments on the 42FS MTF.
- 4.2.4 42FS shall promptly notify a Participant in writing (including by email) of its approval of, refusal to approve, or imposition of limits or conditions on the approval of, the authorisation of a Nominee as a Sponsored Access Firm.
- 4.2.5 42FS may, in its sole discretion, refuse, revoke, limit, condition or suspend a Nominee's authorisation as a Sponsored Access Firm if 42FS is not satisfied that such Nominee's access to, or use of, the 42FS MTF would be consistent with the Rules for the fair and orderly operation of the 42FS MTF.

4.2.6 A Participant that seeks to terminate the authorisation of a Sponsored Access Firm shall notify 42FS in writing (including by email), providing such information as 42FS may require. 42FS shall terminate such Sponsored Access Firm's and its 42FS Trader's access to the 42FS MTF as promptly as practicable.

4.3 Registered Traders

4.3.1 Each Participant shall designate one or more Registered Traders, and shall procure the designation of one or more Registered Traders by each of its Sponsored Access Firms, in accordance with such procedures and Eligibility Criteria as may be established by 42FS for such purpose.

4.3.2 Each Registered Trader must consent, in a form that is satisfactory to 42FS, to abide by the Rules, the Agreements and Applicable Law prior to accessing the 42FS MTF.

4.3.3 For the avoidance of doubt, any Participant or Sponsored Access Firm that is permitted by 42FS to access the 42FS MTF through an automated trading system shall designate such automated trading system as a Registered Trader, in which case the consent referred to in Section 4.3.2 shall be given by the Participant or Sponsored Access Firm on behalf of such automated trading system.

4.3.4 Each Participant shall ensure on an ongoing basis that:

(a) none of its or its Sponsored Access Firm's Registered Traders are subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto); and

(b) each of its and its Sponsored Access Firm's Registered Traders is technically proficient and conducts its business on the 42FS MTF in a fair and orderly manner.

4.3.5 42FS may in its sole discretion revoke, suspend, condition or limit the designation of a Registered Trader and shall promptly notify the relevant Participant of such action.

4.3.6 Each Participant is responsible for monitoring the list of its Registered Traders and must provide prompt notice to 42FS of any changes to the list of its Registered Traders.

4.3.7 To request the termination of the designation of an individual as a Registered Trader, a Participant must follow the procedures established by 42FS for such purpose, provided that a Participant may at any time instruct 42FS to immediately terminate the designation of one or more of its Registered Traders.

4.3.8 Each Participant shall be held accountable for the actions of its and its Sponsored Access Firm's Registered Traders on the 42FS MTF.

4.3.9 A Participant may, from time to time, designate a Person or automated trading system as a DMA (Direct Market Access) Registered Trader in accordance with such procedures and eligibility criteria as may be established by 42FS for such purpose, and each DMA Registered Trader so designated shall be subject to all of the obligations, responsibilities and requirements imposed on Registered Traders pursuant to the Rules.

4.4 Responsible Persons

- 4.4.1 A Participant may designate one or more Responsible Persons in accordance with such procedures and eligibility criteria as may be established by 42FS for such purpose.
- 4.4.2 A Participant's Responsible Person(s), if any, shall be responsible for any and all communications between such Participant and 42FS and any and all notices or other communications sent to such Responsible Person(s) by 42FS will be binding on such Participant.

4.5 Trader IDs

- 4.5.1 42FS shall issue each Registered Trader with a Trader ID, provided that no Trader ID will be assigned to a Registered Trader without the consent of the relevant Participant and, as applicable, the relevant Sponsored Access Firm.
- 4.5.2 Each Order entered into the 42FS MTF by a Registered Trader must contain such Registered Trader's Trader ID.
- 4.5.3 Each Participant shall be responsible for controlling and monitoring the use of Trader IDs issued to its and its Sponsored Access Firm's Registered Traders.
- 4.5.4 No Person may use a Trader ID to place any Order except as permitted by these Rules, nor may any Person knowingly permit or assist the unauthorised use of a Trader ID.
- 4.5.5 Each Participant, on behalf of itself and each of its and its Sponsored Access Firm's Registered Traders, is responsible for ensuring that no Trader ID is used by any Person not authorised by the Rules.
- 4.5.6 Each Participant shall ensure the accuracy of the registration information of its and its Sponsored Access Firm's Registered Traders at all times.
- 4.5.7 Each Participant shall notify 42FS promptly upon becoming aware of:
 - (a) any unauthorised disclosure or use of any Trader ID assigned to it or any of its or its Sponsored Access Firm's Registered Traders and of any other reason for deactivating a Trader ID; and
 - (b) any unauthorised access to the 42FS MTF by any Person using a Trader ID assigned to such Participant or its or its Sponsored Access Firm's Registered Traders.
- 4.5.8 Each Participant shall be bound by any actions taken through the use of a Trader ID assigned to its or its Sponsored Access Firm's Registered Traders, including the submission of Orders and execution and settlement of Trades, whether or not such actions were taken or authorised by such Participant, Sponsored Access Firm or Registered Trader, as the case may be, except in respect of any unauthorised use resulting from the failure of 42FS to maintain the security of the relevant Trader ID(s).

4.6 Hybrid Broking Model

42FS provides services utilising a Hybrid Broking Model for Eligible Instruments. Where the 42FS MTF is a part of such services the following sub-clauses apply:

- 4.6.1 Registered Traders may submit Orders onto the 42FS MTF front end application or via an Application Program Interface (API) with all such Orders being governed by these Rules.
- 4.6.2 42FS Broker may submit Orders onto the 42FS MTF Order Book on behalf of Participants. In such case:
 - (a) 42FS Broker shall submit all Orders as soon as reasonably practicable after instructions to place the Orders are received.
 - (b) 42FS Broker shall not amend, delete, cancel, correct, or otherwise alter any Orders on the Order Book submitted by a Registered Trader, unless instructed to do so by the Registered Trader.
 - (c) All such Orders and resulting Trades shall be governed by these Rules.
- 4.6.3 Orders submitted to the 42FS MTF are available to the 42FS Broker for voice broking. In such case:
 - (a) Any resulting voice trades shall not be governed by these Rules.
 - (b) Where an Order is no longer available for execution on the 42FS MTF it is the Participant's responsibility to remove such Orders.
- 4.6.4 42FS Broker may use information on the 42FS MTF as a price discovery mechanism for its voice broking facilities. In such case any resulting voice trades shall not be governed by the Rules.
- 4.6.5 42FS Broker may receive a fee for its services.
- 4.6.6 42FS Broker is not able to enter Orders on behalf of non-Participants.

4.7 Participant Obligations

- 4.7.1 Participant will at all times ensure its continuing compliance with these Rules and all Applicable Laws and regulations.
- 4.7.2 Participant must notify 42FS in writing the names of those individuals authorised by the Participant to be Registered Traders of the 42FS MTF.
- 4.7.3 In respect of business conducted on the 42FS MTF, a Participant shall be responsible for all the acts, omissions, conduct and activity of its Registered Traders.
- 4.7.4 Participant must ensure its Registered Traders have sufficient training, are adequately supervised and have adequate experience, knowledge and competence to participate on the 42FS MTF in accordance with the Rules.
- 4.7.5 Participant will be bound by any and all Orders submitted and any resultant Trades entered into by their Registered Traders or 42FS Broker acting on Participant's behalf and request.

- 4.7.6 Participant is responsible for complying with any security measures and procedures for authentication requested by 42FS from time to time and ensuring that only Registered Traders have access to the 42FS MTF.
- 4.7.7 Each Participant will co-operate with 42FS and any relevant Regulator during any investigation that is conducted in relation to access to and trading on the 42FS MTF. Such co-operation shall include, providing access to information, documents, and any other reasonable request within the control of the Participant, save to the extent the Participant may be restricted in doing so by law or regulation.
- 4.7.8 Participant shall bear its own costs and expenses in connection with any such investigation. Participant shall indemnify 42FS in full in respect of all costs and expenses reasonably incurred in connection with any investigation in so far as those costs relate to an investigation or any part of an investigation which relates to the Participant's activity on 42FS MTF except to the extent that any such costs arise as a consequence of the fraud, negligence or wilful default of 42FS or as a consequence of any breach by 42FS.
- 4.7.9 Participant shall notify 42FS, as soon as reasonably practicable, upon becoming aware of the occurrence (or likely occurrence) of any of the following events:
- (a) Participant, or one or more of its Sponsored Access Firms or its or their Registered Traders, has breached or is otherwise unable to comply with the Rules - immediately upon becoming aware;
 - (b) A change in the Participant's ability to meet the Eligibility Criteria - immediately upon becoming aware;
 - (c) Any material changes to the information provided to 42FS by such Participant, including the identity of its Registered Trader(s), Sponsored Access Firm(s), and/or Responsible Person(s), such as a change of name, contact details, legal status - at least five Business Days in advance of any change taking effect ;
 - (d) Any material damage to, failure or inadequacy of, the systems, facilities or equipment the Participant uses to connect to the 42FS MTF - immediately upon becoming aware;
 - (e) To the extent that such event could reasonably have an effect on Participant's use of the 42FS MTF, the commencement of any judicial or administrative proceeding by a governmental agency or the imposition of any fine, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any governmental agency - immediately upon becoming aware;
 - (f) Any refusal of admission to, or involuntary withdrawal of any application for membership in any regulated market, MTF or other trading platform involving, arising from, or related to, the trading of any MTF Product or any financial instrument that is related to, the economic equivalent of, or the underlying product or asset that is the subject of, a MTF Product;
 - (g) Insolvency of the Participant - immediately upon becoming aware;

- (h) Any merger, acquisition, consolidation, combination, sale or any other material change of ownership of the Participant - immediately upon becoming aware.

4.8 Suspension, Termination or Resignation of Participation

- 4.8.1 42FS may at its absolute discretion and without liability restrict, suspend or terminate the Participation of a Participant (and/or its Registered Traders) if, at any time:
 - (a) Participant, its Sponsored Access Firm(s) and/or its or their Registered Traders are in breach of the Rules, Agreements or Applicable Law(s);
 - (b) Participant has failed to pay any dues, assessments or fees due to 42FS within thirty calendar days of the date of the applicable invoice;
 - (c) Participant suffers an Insolvency Event;
 - (d) Participant suffers a Default Event;
 - (e) Participant is subject to relevant enforcement or other proceedings by the Regulator;
 - (f) Participant ceases to meet the Eligibility Criteria;
 - (g) In the event of an Emergency;
 - (h) In any other circumstances where 42FS considers that restriction, suspension or termination is necessary to ensure or maintain orderly trading on the 42FS MTF.
- 4.8.2 42FS will notify Participant in writing (including by email) of a decision to restrict, suspend or terminate its Participation.
- 4.8.3 Where a Participant has given notice of its intent to resign from Participation on the 42FS MTF, the resignation is not effective and the Rules will continue to bind the Participant until:
 - (a) All of the Participant's outstanding Orders have been Matched, cancelled or withdrawn. The former Participant must immediately withdraw all unmatched Orders submitted by such former Participant, its Sponsored Access Firms and its and their Registered Traders, failing which 42FS shall promptly cancel such unmatched Orders;
 - (b) All outstanding obligations of the Participant, its Sponsored Access Firms, and its and their Registered Traders with respect to Trades have been performed;
 - (c) All other outstanding obligations of the Participant under the Rules (including without limitation the settlement of any outstanding dues, fees, assessments or fees) have been performed.

4.9 Sanctions

- 4.9.1 42FS may sanction a Participant, a Sponsored Access Firm, or one or more of its and their Registered Traders, as part of its obligation to ensure the fair and orderly trading in the Eligible Instruments on the 42FS MTF.
- 4.9.2 The sanctions imposed may include, without restriction, the following:
- (a) A written warning;
 - (b) Temporary suspension;
 - (c) Imposition of conditions on access to the 42FS MTF;
 - (d) Public dissemination of the activity in question;
 - (e) Submitting a report of the activity in question to a Regulatory Authority;
 - (f) Termination of Participant' access to the 42FS MTF.

5 Trading Rules

5.1 General Information

- 5.1.1 42FS shall determine in its absolute discretion the MTF Products and MTF Product Markets listed for trading on the 42FS MTF and may, at any time and in its sole discretion, amend the MTF Products and MTF Product Markets listed for trading.
- 5.1.2 Registered Traders can view on the 42FS MTF the MTF Products which they are authorised to trade.
- 5.1.3 The 42FS MTF will be available for trading on the Trading Days as determined by 42FS and detailed in the applicable MTF Product Appendix. Trading is not permitted outside the Trading Day.
- 5.1.4 42FS shall from time to time determine the Trading Days and Trading Hours in respect of each MTF Product Market (or, if different, for each MTF Product listed for trading on the 42FS MTF).
- 5.1.5 42FS may announce, at its discretion, that commencement of the Trading Day be postponed, or that a Trading Day be extended beyond its scheduled duration.
- 5.1.6 Where possible, Participants will be given reasonable notice of any change to Trading Days.
- 5.1.7 42FS shall ensure that each MTF Product Market has a MIC Code attributed to it and shall notify Participants of any changes or amendments to such MIC Code. An MTF Product Market and a related Non-MTF Product Market (if any) may share the same MIC Code.
- 5.1.8 The 42FS MTF allows trading on a name give up basis only.
- 5.1.9 Additional details relating to the execution of Trades in a particular MTF Product Market are set out in the applicable MTF Product Market Appendix to the Rulebook.

5.2 Orders

- 5.2.1 Participants and Sponsored Access Firm will be bound by all Orders and/or any other information inputted by its Registered Traders or by 42FS Broker acting on the Participant's behalf and request.
- 5.2.2 As applicable, Orders may be entered electronically or, as agreed in advance with an employee of 42FS submitted by telephone, email, instant message or through such other medium as may be agreed from time to time.
- 5.2.3 Provided that the Registered Traders is permitted to trade the MTF Product, the Registered Trader may submit an Order on the 42FS MTF in respect of that MTF Product.
- 5.2.4 Subject to the 42FS MTF being available for trading, an Order may be submitted at any point during the Trading Day.
- 5.2.5 All Orders shown on the Order Book are firm and available to be Matched and therefore, when Matched, a binding contract is immediately formed between the counterparties.

- 5.2.6 Orders may be amended or cancelled by the Registered Trader who submitted them (or by 42FS Broker authorised to act as the Registered Trader's agent) at any point prior to being Matched. An Order which has been Matched cannot be cancelled except in accordance with the Rules.
- 5.2.7 Participants must withdraw their Orders from the 42FS MTF immediately if they are no longer available for execution.
- 5.2.8 Orders are anonymous to other Registered Traders unless the Order belongs to their Participant firm. 42FS Brokers have full market visibility and therefore see all Orders and Trade details including counterparties.
- 5.2.9 Each Order submitted into the 42FS MTF must be in the form, and contain the information, required by 42FS, otherwise such Order may not be accepted.
- 5.2.10 Each Order submitted into the 42FS MTF may be subject to certain limitations established by 42FS from time to time, including, without limitation, limits on: the number and/or size of Orders that may be submitted by a Participant (or its Sponsored Access Firms or its or their Registered Traders); the number of MTF Products that a Participant (or its Sponsored Access Firms or its or their Registered Traders) may trade through the 42FS MTF; the maximum daily price fluctuation for one or more MTF Products; and the frequency with which a Participant (or its Sponsored Access Firms or its or their Registered Traders) may refresh a bid or offer.
- 5.2.11 Depending on the method by which an Order is submitted, an Order may contain one or more of the following designations:
- (a) **Limit Orders** – Limit Orders are Orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit Order that is not withdrawn or executed is retained in the Order Book until the end of the day.
 - (b) **All or None (AON)** – A Limit Order where only the entire submitted size is available for execution.
 - (c) **Time-in-Force (TiF) Orders** – Limit Orders that will be held within a specified time frame.
 - (d) **Hidden Size** – Limit Orders that are comprised of two components: a displayed size, which is a conventional Limit Order and a hidden (reserve) size, which is submitted as a new Limit Order when the initial, displayed Order is fully executed.
 - (e) **One Cancels Other (OCO)** – A Limit Order that is linked to one or more other Orders by the Participant with the linked Order being cancelled when any other Order in the same OCO group is fully or partially executed.
 - (f) **Work the Balance** – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order and any remaining size is placed as a standing Limit Order.
 - (g) **Fill and Kill (FaK)** – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order and any remaining size is cancelled.

- (h) **Fill or Kill (FoK)** – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order. If the full size of the submitted Order is not met, the Order is cancelled.
- (i) **Contingent Orders** - An instruction to submit an Order to, or cancel an existing Order in, the Order Book if the price of a given MTF Product or other financial instrument is the same as, or is greater or less than, the price specified in the Contingent Order.

5.2.12 All unfilled Limit Orders in respect of a given MTF Product are removed from the Order Book at the end of the trading session for such MTF Product.

5.3 Order Size

5.3.1 Depending on the MTF Product, Order size entered and displayed on the 42FS MTF may be expressed with a standard market size multiplier having been applied.

5.3.2 42FS may, at its sole discretion, set a minimum and/or maximum Order size, and any incremental sizes, for any 42FS MTF Product. Any Order not fulfilling minimum or exceeding the maximum Order size requirements will be rejected by the 42FS MTF.

5.4 Implied Orders

5.4.1 42FS is solely responsible for calculating the price and size of the Implied Order, calculated with reference to the price and size of the Orders of the 42FS MTF Product referred to by the 42FS MTF in creating the Implied Order.

5.4.2 An Implied Order is indicated as such on the 42FS MTF.

5.5 Indications of Interest

5.5.1 An Indication of Interest is a non-binding indication of interest in an MTF Product that is not executable.

5.5.2 An Indication of Interest may be submitted into the 42FS MTF, provided that the Participant submitting the Indication of Interest has a reasonable basis for the quantity and/or price submitted and maintains records evidencing such reasonable basis.

5.6 Methods of Execution

5.6.1 **Order Book.** Except as otherwise provided in the Rules, Orders submitted will be, depending on the MTF Product, matched in the manner described in the relevant documentation published by 42FS for such MTF Product.

5.6.2 **Join the Trade.** For certain MTF Products, a workup (“**Join the Trade**” or “**JTT**”) session may commence after a Trade is executed in the Order Book.

(a) During a JTT session, Participants to the triggering transaction and other Participants are invited to participate in the transaction to buy or sell additional quantities of the same MTF Product at the previously executed price level.

(b) The operation of the Order Book may or may not be suspended with respect to an MTF Product that is subject to a JTT session, but any pre-existing orders in the Order Book

that are equal to or better than the price of a triggering transaction will be automatically included in the JTT session.

- (c) Orders in the Order Book that are not filled during the JTT session will remain in the Order Book unless and until cancelled or expired.

5.6.3 **Auction.** The 42FS MTF also supports an auction functionality that matches the trading interest of buyers and sellers at pre-disclosed, transparent, static prices. This functionality is segmented into a fixing component and a matching component.

- (a) **Fixing:** Under the fixing component, 42FS will give Participants prior notice that a fixing session will occur during which 42FS MTF Registered Traders may submit indicative bids and offers for a given MTF Product. Once this session commences, 42FS MTF Registered Traders may submit undisclosed, indicative bids and offers in the minimum size and during the time identified by 42FS in the notice. Upon the expiration of the fixing session, 42FS shall calculate the fixing price for the MTF Product based upon the average of the best bid and offer in the Order Book during the fixing session, and shall disseminate such fixing price to all Participants.
- (b) **Matching:** After the expiration of the fixing session and the dissemination by 42FS of the fixing price, a matching session will commence. Once a matching session commences, Participants may submit firm bids and offers for the MTF Product at the matching session price. All such bids and offers must be in the minimum size and be submitted during the time identified by 42FS in a notice to Participants. The matching session is open to all Participants however Orders submitted by Participants that participated in a fixing session, if any, will receive priority over Participants that did not so participate. A matching session will end if the MTF Product trades in the Order Book at a price that is better than the matching session price for such Product.

5.7 Order Matching

- 5.7.1 Orders which are available to a Participant for Matching are highlighted on the 42FS MTF.
- 5.7.2 Unless otherwise specified, Orders shown on the Order Book will be Matched using the following criteria in order of precedence:
 - (a) Price; and
 - (b) Time (based on the time the Order is shown on the Order Book).
- 5.7.3 All Orders which have not been Matched are cancelled at the end of each Trading Day.

5.8 Confirmations

- 5.8.1 42FS shall promptly, following execution of a trade, provide each Participant that is a counterparty to such trade with a confirmation in accordance with the procedures established by 42FS for such purpose.

5.9 Prohibited Trading Practices

- 5.9.1 It shall be a violation of the Rules for a Participant, its Sponsored Access Firm, or any of its or their Registered Traders, to engage in any of the following activities, either directly or through the use of an automated trading system:
- (c) Making any fraudulent or misleading communications in relation to one or more MTF Products or MTF Product Markets or otherwise engaging in any action that creates, or is likely to create, a misleading impression of one or more MTF Products or MTF Product Markets; or
 - (d) Causing, or entering into, any artificial, fictitious or non-competitive Trade on the 42FS MTF (except as may be otherwise permitted by the Rules) or submitting an Order with fictitious economic terms into the 42FS MTF; or
 - (e) Causing, or entering into, any Trade on the 42FS MTF for the purpose of avoiding taking a bona fide position exposed to market risk; or
 - (f) Engaging in any action which is likely to upset the equilibrium of the market for an MTF Product or creating conditions in which prices do not reflect fair market values;
 - (g) Engaging in any action which is likely to damage the fairness, stability or integrity of the MTF or to bring the MTF or 42FS into disrepute; or
 - (h) Manipulating, or attempting to manipulate, the market for an MTF Product or otherwise engaging in any action that appears to have the primary purpose of causing market confusion or frustrating the orderly operation of the MTF; or
 - (i) Causing the MTF or 42FS to be in breach of Applicable Law(s).
- 5.9.2 No Participant, Sponsored Access Firm or any of its or their Registered Traders shall make any knowing misstatement of material fact to 42FS or any of 42FS's directors, officers, employees or agents.

5.10 Market Surveillance

- 5.10.1 42FS shall maintain arrangements to monitor compliance with the Rules and to identify disorderly trading conditions and any conduct that may be in violation of Section 5.9 (Prohibited Trading Practices).
- 5.10.2 42FS will enforce compliance with the Rules and may take such actions as permitted by the Rules to facilitate fair and orderly trading on the 42FS MTF.

5.11 Suspension of Trading

- 5.11.1 42FS will monitor the operation of the 42FS MTF during the Trading Day. 42FS may in its absolute discretion at any time suspend, postpone or extend trading on the 42FS MTF as a whole, or in respect of one or more MTF Products or MTF Product Markets, where 42FS considers such action necessary to maintain the stability or integrity of the 42FS MTF, to ensure fair and orderly trading and system functionality, to avoid violation of Applicable Law, erroneous trades or breaches of the 42FS MTF's security as a result of technical problems

and as otherwise required by Applicable Law or pursuant to an order of a Regulatory Authority or court of competent jurisdiction.

- 5.11.2 Whilst access to or trading on the 42FS MTF in an MTF Product or MTF Product Market is suspended in whole or in part, no new Orders can be submitted into the 42FS MTF in respect of such MTF Product or MTF Product Market for the duration of the suspension and all unfilled Orders in the Order Book at the time of suspension shall be cancelled.
- 5.11.3 Trading shall recommence in accordance with the Rules, once 42FS determines that the suspension shall be lifted.
- 5.11.4 42FS will notify Participants upon any prohibition, removal or suspension and, in respect of suspension of the 42FS MTF, will to the extent practicable and/or required by regulation, keep Participants informed regarding its availability.

5.12 Credit Setting and Restrictions

- 5.12.1 Each Participant is solely responsible for
 - (a) Determining its credit settings and/or restrictions; and
 - (b) Notifying 42FS of any applicable settings or restrictions, which take effect upon confirmation from the 42FS that they have been implemented.
- 5.12.2 With respect to each MTF Product to be traded on the 42FS MTF, Participant shall inform the 42FS of the following:
 - (a) Whether they are able to trade MTF Products bilaterally and, if so, the details of the counterparties with whom they are willing to trade; and
 - (b) Whether they are able to trade MTF Products that are nominated for clearing and, if so, the details of the Clearing Houses at which they may clear.
- 5.12.3 An Order will only be available to be Matched by counterparties which have credit, as indicated on the 42FS MTF. If a restriction is in place which prevents a Match, the Registered Trader will need to manually select the Order which is next in priority.

6 Post-Trade

6.1 Contractual Position

- 6.1.1 Once Matched, the relevant Participants have entered into a valid, legal and binding Trade, governed by the terms of the Documentation in place between the Participants.
- 6.1.2 For the avoidance of doubt, to the extent any terms in respect of a Trade in any of the MTF Products are not displayed on the 42FS MTF or otherwise set out in the Rulebook, such terms shall be agreed, and disputes determined, in accordance with the terms and conditions set out in the Documentation.
- 6.1.3 If the Participants do not have Documentation in place, the Matched Trade shall nonetheless remain a valid, legal and binding contractual obligation and the Participants shall determine how to perform the obligations in respect of the Trade.
- 6.1.4 42FS Broker will, in good faith, if requested, seek to facilitate determination between the Participants and help the Participants to clarify the obligations owed.

6.2 Trade Cancellation

- 6.2.1 42FS may cancel Trade(s) in its absolute discretion, including without limitation where 42FS as Operator of 42FS MTF considers that the Trade(s) appears to be:
 - (a) Contrary to Applicable Law and market conventions, or
 - (b) Prejudicial to fair and orderly trading 42FS MTF, or
 - (c) Prejudicial to Participants and disruption or distortion to the integrity of the 42FS MTF, or
 - (d) Contrary to the Agreements, or
 - (e) Indicative of market or system abuse or misuse, or
 - (f) Create a conflict of interest between any parties, including 42FS, or
 - (g) A transaction nominated for clearing where it is rejected by the relevant clearing house,
 - (h) An Error Trade.
- 6.2.2 Each error situation shall be assessed by 42FS on its individual circumstances, taking into account all relevant market factors. 42FS shall have a unilateral right to cancel Trade(s), whether it has received a notification from Participant or not.
- 6.2.3 42FS must comply with legal and regulatory obligations to provide MTF system operating in a way that Error Trades are dealt with in a quick and efficient way for the Participants involved and any other parties affected by the Error Trade(s).
- 6.2.4 It is the responsibility of each Participant to ensure that Orders submitted to the 42FS MTF are accurate. The responsibility of reporting a Trade(s) which a Participant considers to be an Error Trade(s) rests solely with the Registered Traders of the 42FS MTF. Participant(s) must notify 42FS of a potential Error Trade(s) by sending email to **compliance@42fs.com** and/or

MTF@42fs.com as soon as practicable, and in any event within 30 minutes of the execution of the Trade.

- 6.2.5 42FS may determine to review a Trade(s) based also on its own independent analysis of market. 42FS shall determine whether or not Trade(s) will be subject to review. In the absence of a timely request for review from Participant(s), during volatile market conditions, upon the release of significant market news, or in any other circumstance in which 42FS deems it to be appropriate, 42FS may determine that a Trade(s) shall not be subject to review.
- 6.2.6 42FS shall notify the relevant Participant(s) as soon as practicable that Trade(s) is under review. The relevant Participant(s) shall provide any supporting information in such manner and within such time as 42FS may reasonably request to aid the resolution of the matter.
- 6.2.7 All notifications from Participant(s) relating to Error Trade(s) must contain:
- (a) Participant's primary contact details (name and direct line);
 - (b) All specific details of the Trade(s);
 - (c) Timestamps for each Trade; and
 - (d) Participant's reason for considering Trade(s) to be an Error Trade(s).
- 6.2.8 42FS will review Trade(s) and determine whether the price of the relevant Trade(s) is less than 10 percent higher or lower (or as defined in relevant MTF Product Appendix) than:
- (a) The most recent price of a transaction in the MTF Product executed according to the Rules; or
 - (b) The settlement price for the MTF Product established by a clearing house that accepts such MTF Product for clearing; or
 - (c) if the prices referred above occurred more than one Business Day before the date on which the Trade is under review, the price for such MTF Product or Non-MTF Product (or its nearest economic equivalent) reported by a trade repository.
- 6.2.9 If the price of a Trade(s) under review is within range as defined above 42FS may refuse to cancel Trade(s) under review and will issue notice to affected Participants indicating that Trade(s) shall stand as executed.
- 6.2.10 42FS will make the final decision, at its sole discretion, on whether Trade(s) is or is not an Error Trade(s).
- 6.2.11 Error Trade(s) will be cancelled by 42FS. However, 42FS is not under any obligation to cancel Trade(s) at the request of a Participant, including where the Participants both agree to such cancellation.
- 6.2.12 An Error Trade Cancellation Notice issued by 42FS shall specify the affected Participants, Trade details and timestamps.

- 6.2.13 Within 30 minutes after the issue of an Error Trade Cancellation Notice by 42FS, relevant Participants to the Trade(s) may, jointly, agree that the Trade(s) does not constitute an Error Trade(s) (also **Good Trade**). Good Trade(s) shall not be cancelled.
- 6.2.14 42FS shall have no liability for losses resulting from Trade(s) cancellations. All decisions of 42FS regarding the cancellation of Trade(s) shall be final, subject to Good Trade (as defined in 6.2.13).
- 6.2.15 If 42FS deems it necessary, it may inform the Relevant Regulator(s) of any of its refusals or cancellations.

6.3 Trade Capture and Confirmation

- 6.3.1 Registered Traders are notified of any Orders Matched immediately via the 42FS MTF.
- 6.3.2 Participants must notify 42FS immediately upon receipt if they are not in agreement with any Trade details.

6.4 Clearing and Settlement

- 6.4.1 Participants are responsible for the clearing (where relevant) and settlement of all Trades traded on the 42FS MTF. 42FS accepts no responsibility or liability for the clearing or settlement of any Trades executed on the 42FS MTF.
- 6.4.2 Participants must ensure they have the facility to clear (where relevant) and settle all Trades traded on the 42FS MTF in accordance with regulatory requirements.
- 6.4.3 Clearing and settlement requirements and arrangements vary according to the MTF Products traded on the 42FS MTF.
- 6.4.4 Settlement of all Trades not eligible for clearing shall take place directly between the Participants involved in accordance with the terms of those contracts.

6.5 Trade Publication

- 6.5.1 42FS will, where applicable, required by Applicable Law, make public the price, volume and time of Trades on the 42FS MTF.

6.6 Trade Reporting

- 6.6.1 Where applicable, 42FS will ensure that Trade reports are submitted in accordance with the reporting requirements of the Applicable Law.
- 6.6.2 Participants remain responsible for fulfilling their own Trade reporting requirements.

6.7 Post-trade transparency

- 6.7.1 Where applicable and required by Applicable Law 42FS on its website and/or through market data providers publishes the Trades as close as possible to real-time, by stating the name of the respective MTF Product Markets and the MTF Products listed for trading on the 42FS MTF together with the respective price, size and time of the Trade.

6.8 Taxes and Fees

6.8.1 Participants are liable for the payment of any applicable taxes, fees, duties, or levies that arise in connection with the trading of Eligible Instruments on the 42FS MTF.

6.9 Position Limits

6.9.1 42FS may, as permitted or required by Applicable Law, establish position limits or position management arrangements in respect of one or more MTF Products listed for trading on the MTF.

6.10 Information and Data

6.10.1 42FS may offer access to data feeds and/or other market information as part of its services. A separate charge or charges may be levied for such services offered by 42FS.

7 Miscellaneous

7.1 Confidentiality

- 7.1.1 42FS will treat as confidential any information received from a Participant in relation to its business on the 42FS MTF, except where:
- (a) The information is publicly available; or
 - (b) Disclosure is required by Applicable Law or any tax authority or Regulator having jurisdiction; or
 - (c) Disclosure is made in the interests of co-operation with any regulatory investigation conducted by a relevant Regulator; or
 - (d) Disclosure is made for the protection of the market and the maintenance of high standards in integrity and fair trading; or
 - (e) The Participant has consented to the disclosure in writing.

7.2 Cooperation with Regulators

- 7.2.1 42FS will report any significant breaches of the Rules, disorderly trading conditions or conduct which gives rise to a suspicion of market abuse to the Regulator.
- 7.2.2 42FS will provide full assistance to, and may also supply any relevant information without delay to the Regulator.
- 7.2.3 42FS will comply with all relevant laws and regulations, and any request of the relevant Regulator.
- 7.2.4 Each Participant shall provide (and shall procure that its Sponsored Access Firms provide) all reasonable assistance to the Regulator or other regulatory authority in connection with any investigation of alleged market abuse or breach of Applicable Law.

7.3 Limitation of Liability

- 7.3.1 Except as provided below (or, as between 42FS and a Participant, as may have been previously agreed in writing between 42FS and such Participant), neither 42FS, nor any affiliate of 42FS, nor any of their respective managers, officers, directors, employees, equity holders, agents, consultants or service providers (each of the foregoing, as applicable, the "Disclaiming Party" and, collectively, "Disclaiming Parties"), shall be liable to any Person for any losses arising out of or in connection with:
- (a) 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 the systems and services of 42FS, or services, equipment or facilities used to support such systems and services, including without limitation, electronic order entry and delivery, trading through any means, electronic communication of market data or information, workstations used by Participants, Sponsored Access Firms or Registered

Traders, price reporting systems and any and all terminals, communications networks, central computers, software, hardware and firmware relating thereto; or

- (b) Any failure or malfunction, fault in delivery, delay, omission, suspension, inaccuracy, interruption or termination, or any other event, of any system or service of 42FS, or services, equipment or facilities used to support such systems or services, caused by any third parties including, but not limited to, independent software vendors and network providers; or
- (c) Any errors or inaccuracies in information provided by 42FS or any of 42FS's systems, services or facilities; or
- (d) Any unauthorised access to or unauthorised use of any of 42F's systems, services, equipment or facilities by any Person.

7.3.2 The foregoing limitation of liability shall apply whether a claim is based on breach of contract, tort, including, without limitation, negligence, strict liability, negligent misrepresentation, restitution, breach of statutory duty, breach of warranty or otherwise and whether the claim is brought directly or as a third-party claim.

7.3.3 Under no circumstances shall 42FS be liable to a Participant, a Sponsored Access Firm or any other Person for any indirect, special, incidental, consequential, exemplary loss or punitive damages of any kind, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties or otherwise, including, without limitation, any loss of revenue, loss of actual or anticipated profits, loss of contracts, loss of the use of money, loss of anticipated savings, loss of business, loss of opportunity, loss of market share, loss of goodwill, loss of reputation or loss of, damage to or corruption of data, however suffered or incurred, regardless of whether 42FS has been advised of the possibility of such damages or whether such damages otherwise could have been foreseen or prevented.

7.4 No Warranties

7.4.1 42FS MTF (which includes without limitation all the information contained in the 42FS MTF's ancillary systems as well as all other market information) is provided „as is“, without warranties, express or implied (except as expressly stated herein), including, but not limited to, any implied conditions or warranties of merchantability or fitness for a particular use or purpose, any implied warranty arising from trade usage, course of dealing or course of performance, and of any other warranty or obligation with respect to the 42FS MTF or any software or other materials made available to a Participant, Sponsored Access Firm, Registered Trader or any other Person and all other such warranties are hereby disclaimed.

7.5 Force Majeure

7.5.1 Notwithstanding any other provision of the Rules, User Agreements or Terms of Business, 42FS shall not be obligated to perform its obligations under the Rules, User Agreements or Terms of Business, or any other agreement with a Participant (including the Participant Agreement), 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 circumstances

that 42FS determines, in its sole discretion, may have an adverse effect upon the functions and facilities of the 42FS MTF, including but not limited to, acts of God, fire or other natural disasters, bomb threats, acts of terrorism or war or severely inclement weather.

7.6 Extension or Waiver of Rules

- 7.6.1 42FS 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 Applicable Law.

7.7 Complaints

- 7.7.1 In the event that a Participant, Sponsored Access Firm or Registered Trader is unsatisfied by the service provided by 42FS, it may inform 42FS's Compliance Department, which will assess whether the complaint has merit and escalate the matter within 42FS as appropriate.

- 7.7.2 Contact details for making a complaint are as follows:

(a) By post:

42 Financial Services a.s.

Compliance Department

Klimentská 46

110 02 Praha 1

Czech Republic

(b) By email:

compliance@42fs.com

7.8 Amendment of the Rules and Notices

- 7.8.1 42FS may amend or repeal any Section of the Rules and/ or adopt new Sections of the Rules. Any such amendment or repeal of Section or adoption of a new Section of the Rules, shall, upon the effective date of such amendment, repeal or adoption, as applicable, be binding on all Participants, Sponsored Access Firms and Registered Traders.

- 7.8.2 Each Participant must provide 42FS with its current electronic mail address and telephone number and the electronic mail address and telephone number of any Registered Trader who may use a Trader ID assigned to such Participant. Each Participant must immediately (and in any event within 24 hours) update the contact information described in this paragraph (a) whenever it changes.

- 7.8.3 Communications from 42FS to Participants may be transmitted by electronic mail or posted on 42FS' website. Communications made to a Participant shall also be deemed to have been made to each of its Sponsored Access Firms, Registered Traders and other employees and agents, and each Participant, Sponsored Access Firm and Registered Trader shall be responsible for conveying such communications to such Persons as appropriate