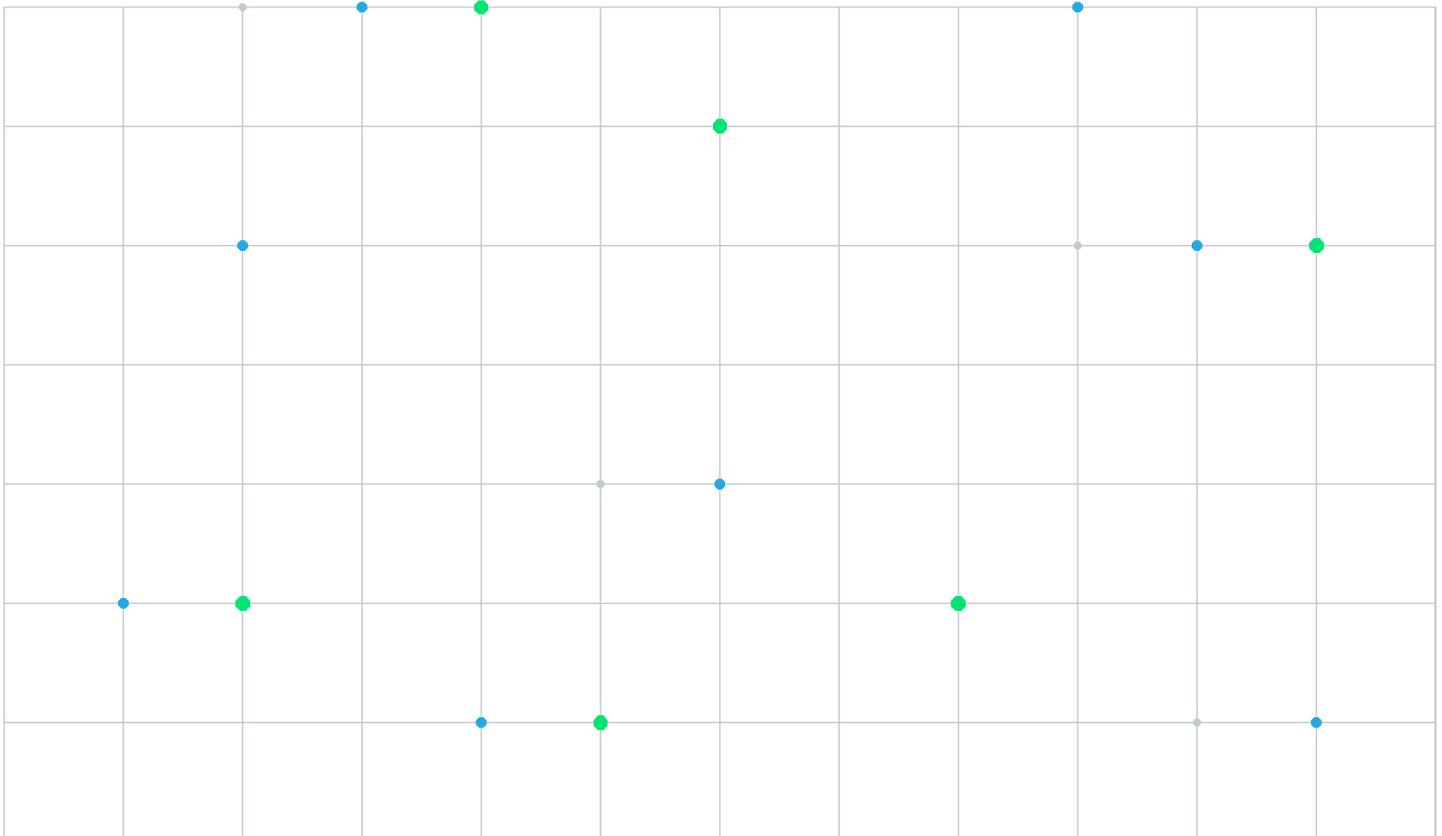# EBS Dealing Rules – Appendix
EBS Direct 2.0

1. Definitions and Interpretation

Capitalised terms in this Appendix have the same meaning as in the Dealing Rules, unless otherwise specified. In addition, these terms have the following corresponding meanings:

Acceptance Period	Has the meaning given to it in Rule 2.5.3.b)
EBS Direct 2.0	The technology platform on which certain products on EBS Direct are provided by the Operator.
Execution Acknowledgement	The message the Liquidity Provider Interface (LPI) sends to the Liquidity Provider to acknowledge confirmation of a Transaction.
Liquidity Consumer	A Participant who may submit Trade Requests via EBS Direct.
Liquidity Consumer Interface (LCI)	The EBS Direct component that Liquidity Consumers connect to.
Liquidity Provider	A Participant which satisfies the Liquidity Provider Eligibility Criteria and provides prices in Products that Liquidity Consumers can respond to by sending Trade Requests.
Liquidity Provider Interface (LPI)	The EBS Direct component that Liquidity Providers connect to.
Liquidity Provider Eligibility Criteria	The criteria set out in a separate document issued and updated by the Operator from time to time which sets out the minimum requirements that Participants must meet in order to become Liquidity Providers on EBS Direct.
Liquidity Provider Manager or LPM	The administration tool provided by the Operator to a Liquidity Provider to administer its use of EBS Direct.
LP Priority List	The rank order of Liquidity Providers, per Product type, relevant to Order Matching as set out in Rule 2.6.4.b).
Resting Order	Has the meaning given to it in Rule 2.6.4.d).
Trade Proposal	The internal representation of a Liquidity Consumer's Order within the EBS Direct 2.0 system.
Underlying Clients	Means, where a Liquidity Consumer acts as an investment manager, investment adviser or otherwise acts as an agent on behalf of an underlying fund or customer, the identity of which has been disclosed to the Operator, such underlying fund or customer.

All capitalised terms not otherwise defined in these Dealing Rules shall have the meaning ascribed to them in the Customer Agreements. In these Dealing Rules, words in the singular include the plural and vice versa and words in one

gender include any other gender. A reference to persons in these Dealing Rules shall include a reference to legal persons and natural persons as the context requires. Headings are for ease of reference only and do not form part of these Dealing Rules. Reference to statutory or regulatory provisions or instruments shall include any amendment, modification or reenactment or re-making thereof.

2. EBS Direct 2.0

2.1.   EBS Direct 2.0 is a dealing service provided by the Operator which enables Liquidity Consumers to transact in Products:

2.1.1.   with Liquidity Providers on a direct and disclosed basis; or

2.1.2.   on a non-disclosed basis, by a Participant acting as a Prime Bank for a Liquidity Consumer. The Prime Dealing Service for EBS Direct 2.0 is also marketed as EBS Select.

2.2.   This Appendix applies to Participants who access EBS Direct through the EBS Direct 2.0 trading system (either through a GUI or API).

2.2.   Eligibility Criteria for Liquidity Providers

2.2.1.   Participants may become Liquidity Providers where, on application and during the period that the Participant acts as a Liquidity Provider, they meet:

a)   any relevant specific access requirements for Liquidity Providers adopted and published by the Operator from time to time; and

b)   the requirements set out in the Liquidity Provider Eligibility Criteria.

2.2.2.   In order to be admitted as a Liquidity Provider on EBS Direct, a Participant must:

a)   have the appropriate regulatory status under Applicable Laws to act as a Liquidity Provider;

b)   trade the Products offered on EBS Direct as principal with a minimum number of Counterparties as set out in the Liquidity Provider Eligibility Criteria either directly with the Liquidity Consumers or via a Prime Bank;

c)   if the instruments offered on EBS Direct are centrally cleared, have the appropriate direct clearing membership or arrangements for clearing such instruments; and

d)   meet minimum liquidity provision criteria set out in the Liquidity Provider Eligibility Criteria, including but not limited to the number of currency pairs, two-way price provision, instruments, minimum top of book and total depth of book.

2.3.   Eligibility Criteria for Liquidity Consumers

2.3.1.   For Transactions to occur between Participants using EBS Direct, a Liquidity Consumer must have a direct trading relationship with at least one Liquidity Provider or Prime Bank. Other than supporting the technical set up of EBS Direct, the Operator has no responsibility for establishing any such direct trading relationship between a Liquidity Provider and a Liquidity Consumer, or Liquidity Consumer and Prime Bank.

2.4.   Underlying Clients

2.4.1.   For Liquidity Consumers acting under this Appendix as agent on behalf of one or more Underlying Clients, those Liquidity Consumers must ensure, on a continuing basis, that:

a) the Underlying Client(s) have adequate resources over which the Liquidity Consumer has authority, to enter into and perform any such Transaction which the Liquidity Consumer decides to undertake on their behalf;

b) any Transactions entered into on EBS Direct are valid and binding obligations enforceable against those Underlying Client(s) in accordance with this Appendix, subject to bankruptcy or other Applicable Laws;

c) where the Liquidity Consumer's use of EBS Direct is for the benefit and account of its Underlying Client(s), that Liquidity Consumer must have been given authority from such Underlying Client to use EBS Direct for their benefit and account;

d) any claim by the Underlying Client(s) against the Operator, its Affiliates, agents or subcontractors is subject to the limitations of liability in the Agreements, and any such claim will be treated as if it were made by the Participant;

e) the Liquidity Consumer has no reason to believe that its Underlying Client(s) will not be able to meet, or in the foreseeable future will not be able to meet, any settlement or payment obligations or are likely to become insolvent;

f) the Liquidity Consumer has obtained and recorded evidence of the identity of its Underlying Client(s) in accordance with Applicable Laws and regulations (including, without limitation, anti-money laundering regulations); and

g) in the event of a Default Event by any of the Liquidity Consumer's Underlying Clients, or the failure of the Liquidity Consumer's Underlying Clients to meet any of their material obligations, the relevant Liquidity Consumer will provide the Operator with the full name, registered office and contact details of the relevant Underlying Client and take all other steps as the Operator may reasonably (acting in good faith) require in order that the Operator might take such steps as are necessary, including but not limited to instituting legal proceedings against the Underlying Client, to minimise the Operator's exposure and/or redress any loss or damage the Operator may have suffered.

2.5. EBS Direct Transactions

2.5.1. A Transaction on EBS Direct may result in one or more Deals. Each Deal consists of a Liquidity Consumer and a Liquidity Provider, or a Prime Bank and a Liquidity Provider.

2.5.2. Liquidity Providers may submit streams of prices for the Products to Liquidity Consumers directly, or indirectly through a Prime Bank. A Liquidity Provider's stream of prices shall be routed to each of its Liquidity Consumers so that a Liquidity Consumer has an aggregated view of prices from Liquidity Providers (other than in Pass-Through Trading as set out in Rule 2.6.3.a).

2.5.3. Prices streamed by Liquidity Providers may be firm or non-firm:

a) Where a Liquidity Provider streams firm prices, those prices may be aggressed upon by the Liquidity Consumer and if Matched on EBS Direct 2.0, result in a Transaction.

b) Where a Liquidity Provider streams non-firm prices, Liquidity Providers have an acceptance period set by the Operator (in its sole discretion) in which to accept a Trade Request (the "Acceptance Period"). If a Trade Request is not accepted during the Acceptance Period or is rejected by a Liquidity Provider, no Match shall occur and no Transaction shall arise. If a Trade Request is not accepted by a Liquidity Provider within the Acceptance Period, any subsequent attempt to accept that Trade Request shall not result in a Transaction.

2.5.4. A Deal on EBS Direct 2.0 is done when the Liquidity Consumer Interface (LCI) sends a Trade Proposal Status (TPS) (Bound) message and this is successfully recorded by the system. EBS Direct 2.0 will then send a confirmation of the Transaction, including the Transaction timestamp, to the Liquidity Consumer. If applicable, Liquidity Provider(s) who opt-in for Execution Acknowledgements will receive one.

2.5.5. If a Participant suspects that a Deal is in doubt, it must immediately contact the CME Global Command Center for Deal status confirmation. Participants must have a functional mechanism for receiving CME Global Command Center notifications, such as monitored email accounts. The Operator is not liable in

relation to any failure by a Participant to consume or monitor CME Global Command Center alerts.

2.5.6. No Trade Request may be submitted by a Liquidity Consumer unless it exceeds the minimum trade amount set out in the Guide to Currency Pair Parameters.

2.5.7. The Operator shall be entitled to vary or remove (or require the Liquidity Consumer, Liquidity Provider or the relevant Prime Bank to vary or remove) from EBS Direct any Offer, Bid, instruction or message placed in or input through EBS Direct. This includes, but is not limited to, where there is a significant price movement in a Product during a short period.

2.5.8. If a Participant suspects, is notified by the Operator or otherwise becomes aware that there is or may be a malfunction or technical failure in EBS Direct, the Participant shall immediately remove all instructions placed by it on EBS Direct and (if the Operator did not notify the Participant) notify the Operator of the same and refrain from using EBS Direct until it has been notified by the Operator that such malfunction or technical failure has been corrected. The Operator shall be entitled to cancel or revoke any Transactions in case of a malfunction or technical failure in accordance with the Applicable Law.

2.6.   The Routing Process

2.6.1. General

a) Each Liquidity Consumer must establish a contractual relationship with its Liquidity Provider(s) or Prime Bank(s) prior to onboarding to the EBS Direct 2.0 system.

b) For a Transaction to occur on EBS Direct 2.0:

  i.   the Liquidity Provider or a Prime Bank must enable a Liquidity Consumer;
  ii.   a Liquidity Provider or Prime Bank must have extended a Credit Limit to the Liquidity Consumer; and
  iii. a Liquidity Consumer or Prime Bank must have extended a Credit Limit to the Liquidity Provider.

2.6.2. Trade Requests

a) EBS Direct supports Trade Requests from Liquidity Consumers.

b) A Trade Request shall specify the instrument, currency, side, price, amount and value date. The Trade Request will identify the Liquidity Consumer.

2.6.3. Execution Methods

Liquidity Consumers can select from one of the following execution methods for each Trade Request:

a) **Pass-Through Trading:** EBS Direct 2.0 includes functionality for pass-through trading, which allows Liquidity Consumers to communicate directly with Liquidity Providers on a one-to-one basis, in order to enter into Deals. Pass-through trading does not allow multiple buying and selling interests to interact within EBS Direct 2.0, and does not aggregate, prioritise, optimise or recommend Bids, Offers or Transactions. Pass-through trading is not the sole means of communicating with other Participants.

Electronic Communication Network (ECN) Execution Methods:

b) **Sweepable Market Segment:** When submitting Trade Requests to the Sweepable market segment, Liquidity Consumers will either:

  i.   Match in accordance with Rule 2.6.4 with a single Liquidity Provider that fulfils part of or the entire volume of a Trade Request, resulting in a single Deal; or

  ii.   if no single Liquidity Provider fulfils the entire volume of the Trade Request, then in accordance with Rule

2.6.4, the Trade Request will Match with different Liquidity Providers, each of which fulfils parts of the whole volume of the Trade Request and accordingly results in multiple Deals.

c) **Single Ticket Market Segment:** When trading on a 'Single Ticket' price, Participants are expected to submit their full Trade Request in relation to the price quoted. When a Liquidity Consumer trades on a 'Single Ticket' price, a Trade Request will be sent to the one Liquidity Provider streaming that price. If the Trade Request is accepted by the Liquidity Provider, a Deal with that Liquidity Provider will result, for the entire size of the Trade Request.

2.6.4.   Matching Priority

a) Once a Trade Request is submitted, EBS Direct will immediately attempt to route the request to the Liquidity Provider(s) with a price that has a better or equal price to that set out in the Trade Request.

b) EBS Direct 2.0 offers Liquidity Consumers the ability to create a pre-defined list of Liquidity Providers, in order of the Liquidity Consumer's preference, in which quotes are checked ("LP Priority List"). The LP Priority List is a tiebreaker: if there is a tie amongst Liquidity Providers on price and amount, the higher ranked Liquidity Provider will Match with the Liquidity Consumer. If the Liquidity Consumer has not defined its own LP Priority List, the Trade Request will use a default LP Priority List that is maintained by the Operator. That default LP Priority List is updated by the Operator from time to time based on the prior month's performance of Liquidity Providers. Factors considered include Liquidity Provider trade volume, fill ratios, response times and other criteria.

c) Each Trade Proposal attempts to match with each eligible Liquidity Provider's price, in LP Priority List order. Matching priority is (i) price, (ii) amount (under the Sweepable Market Segment set out in Rule 2.6.3.b), a larger amount will be prioritised; amount is not used in relation to Pass-Through Trading as set out in Rule 2.6.3.a)), and (iii) LP Priority List order.

d) If a Trade Request is not accepted or is rejected by the Liquidity Provider, EBS Direct will continue to attempt to Match the Trade Request according to the rules of price, amount, LP Priority List order, which will be maintained (a "Resting Order"). If no Match occurs within the set timeout period, then no Transaction occurs and the Liquidity Consumer will be notified as such.

2.6.5.   Price Improvement

a) When a Trade Request is submitted, if the Liquidity Provider's price improves in the time between the Liquidity Consumer submitting the Trade Request and it being received and accepted by the Liquidity Provider, the Liquidity Consumer will benefit by the Deal being matched at the improved price.

2.6.6.   Interrupt Rules

a) Immediate Orders (i.e. Immediate or Cancel (IOC) or Fill or Kill (FOK)), once submitted, cannot be interrupted or cancelled.

b) Participants may attempt to cancel Resting Orders, but any matches in progress will complete and may result in a full or partial fill of the Trade Request.

2.7.   Post Trade – Deal Tickets

2.7.1.   A Deal Ticket is produced for each Transaction executed on EBS Direct.

2.7.2.   The Operator is able to provide an automated STP feed notifying a Liquidity Consumer, the Prime Bank (if applicable) and the Liquidity Provider of post trade tickets executed on EBS Direct.

2.7.3.   The automated STP feed can be via the CME STP facility and/or Central Post Trade. Central Post Trade can be

a direct connection to the Operator's post trade database, or it can provide a connection to the Operator's post trade data base via a third-party provider.

2.7.4. It is the Participant's responsibility to ensure that its software is able to receive the STP messages and that the interface is properly installed, tested and working.

2.7.5. It shall be the responsibility of the Liquidity Consumer, the Prime Bank (if applicable) and the Liquidity Provider to a Transaction on EBS Direct to confirm and verify Deals and the accuracy and completeness of Deal Tickets for each Transaction. In the event that any error or discrepancy arises or that such Deal Tickets are not accurate and complete or are not generated, the Liquidity Consumer shall immediately (and in any event within one hour of the Transaction) contact the relevant Prime Bank (if applicable), the Liquidity Provider and the Operator.

2.8.   Administration

2.8.1. Administrator

a) Each Liquidity Provider must appoint at least one Administrator for the Liquidity Provider Manager. The Operator is responsible for the creation of Authorised Employee accounts.

b) Participants on EBS Direct must notify the Operator of the name and contact details of responsible personnel in their compliance and operations functions, and keep the Operator informed of any changes thereto. Such personnel need to have the ability and authority to assist with the resolution of Deal in doubt scenarios.

2.8.2. Security

a) It is the responsibility of each Participant to implement the Operator's security requirements and procedures, including adequate security systems and procedures at its locations in accordance with Applicable Law.

b) The Administrator is responsible for updating the Operator on the status of Authorised Employee accounts, including additions, deletions and changes in privileges.

2.8.3. Managing Liquidity Consumers

a) It is the sole responsibility of the Liquidity Provider to administer and maintain settlement instructions and/ or Credit Limits with any Liquidity Consumer and the Operator accepts no responsibility for administering or managing Credit Limits or settlement instructions for any Liquidity Provider. Liquidity Providers may manage Credit Limits on the EBS Direct platform or off the platform.

b) The Operator, on receiving written instructions from a Liquidity Provider, can access the LPM system and amend trading entitlement parameters, but accepts no liability or responsibility for errors or omissions when carrying out the request.

2.9.   Credit and Settlement

2.9.1. The Operator will create the relationship between the Liquidity Provider and Liquidity Consumer in the EBS Direct 2.0 system. The Liquidity Provider, via the LPM, is solely responsible for establishing and maintaining the entitlements that each Liquidity Consumer has.

2.9.2. Management of settlement instructions occurs outside of EBS Direct.

2.10.   Participant Support Obligations

2.10.1. If an Authorised Employee suspects a problem with EBS Direct which it considers may affect its use of EBS Direct, they must immediately:

a) in the case of a Liquidity Provider, cease streaming any prices and/or deny access to any of its Liquidity Consumers;

b) in the case of a Liquidity Consumer, cease submitting any Trade Requests; and

c) contact the CME Global Command Center.

2.10.2. The CME Global Command Center may require, amongst other things, at its sole discretion that:

a) all or some of the Authorised Employees to stop using EBS Direct; and/or

b) the Participant provides information in connection with the issue to the CME Global Command Center.

2.10.3. Participants shall comply with any reasonable requests of the CME Global Command Center in relation to any issue or problem with EBS Direct.

2.10.4. The Operator may terminate or suspend a Participant's access to EBS Direct if the Operator reasonably suspects that there is a problem with EBS Direct.