



AQUIS EXCHANGE PLC RULEBOOK

APRIL 2019

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Version History

Version	Date	Comments
5.0	25.02.19	New Version - combined Rulebook and Annex 1 Trading Platform Guide
5.1	26.04.19	Added ability to amend MaC Order Capacity post-lock

1. Definition and Interpretations

In this Rulebook, the following terms shall have the following meanings:

Algorithmic Trading	as defined in Directive 2014/65/EU on markets in financial instruments. 'Algorithmic trading' means trading in financial instruments where a computer algorithm automatically determines individual parameters of Orders such as whether to initiate the Order, the timing, price or quantity of the Order or how to manage the Order after its submission, with limited or no human intervention.
Applicant	a person applying to become a Member in accordance with Rule 2.
Aquis	Aquis Exchange PLC, a company incorporated in England and Wales under company number 07909192 whose registered office is Palladium House, 1-4 Argyll Street, London W1F 7LD, and who is authorised by the Financial Conduct Authority (FCA) as an investment firm to operate a multilateral trading facility.
Aquis MTF	the MTF trading platform operated by Aquis for the trading of securities in accordance with these Rules.
Board	the board of directors of Aquis and any duly authorised committee of the Board as constituted from time to time.
Central Counterparty	the entity or entities appointed by Aquis from time to time to act as counterparty to Trades executed on Aquis MTF and provide clearing services.
Clearing Rules	the rules as set out in the Central Counterparty's clearing rulebook.
Client	as defined in Directive 2014/65/EU on markets in financial instruments. 'Client' means any natural or legal person to whom an investment firm provides investment and/or ancillary services.
Direct Clearing Member	a Member designated by the Central Counterparty as a Direct Clearing Member and authorised by the Central Counterparty to clear Trades which have been executed for its own account, or have been executed for the account of clients of the Direct Clearing Member.
Direct Electronic Access (DEA)	as defined in Directive 2014/65/EU on markets in financial instruments. Means an arrangement where a Member permits a person to use its trading code so the person can electronically transmit Orders directly to Aquis MTF. DEA covers both 'direct market access' (involving the use of the infrastructure of the Member) and 'sponsored access' (where the infrastructure of the Member is not used). DEA is covered in Section 9 of this Rulebook.
EEA	the European Economic Area.

Eligibility Criteria	the criteria for eligibility for membership of the Aquis MTF as set out in Rule 2.4.
Erroneous Trade	a Trade which Aquis believes is erroneous or invalid, or may impair the integrity of the Aquis MTF, as set out in Rules 7.8-7.14.
Fees	any dues, charges, subscriptions or other amounts due to Aquis.
FCA	the UK Financial Conduct Authority.
FCA Rules	the FCA Handbook of rules and guidance.
FSMA	the UK Financial Services and Markets Act 2000.
General Clearing Member	an entity designated by the Central Counterparty as a General Clearing Member and authorised by the Central Counterparty to clear its own Trades (where relevant), Trades executed by its clients, and Trades executed by Trading Members or their clients.
Instrument	a Security admitted to trading on the Aquis MTF.
Insolvency Event	an order being made or resolution being passed for the winding up of the Member (other than voluntarily for the purposes of solvent amalgamation or restructuring), or if an administrator, administrative receiver or receiver is appointed in respect of the whole or any part of the Members assets or business, or if the Member makes any composition with its creditors or takes or suffers any similar or analogous action in consequence of debt (or equivalent action is taken in relation to the Member in any other jurisdiction).
Liquidity Provider	a Member who has entered into a Liquidity Provider Agreement.
Liquidity Provider Agreement	an addendum to a Member Agreement between Aquis and a Liquidity Provider relating to use of the Aquis MTF and other services by Liquidity Provider(s) in fulfilment of the requirements of the Liquidity Provider Scheme.
Liquidity Provider Scheme	the Liquidity Provider Scheme operated by Aquis for Members that wish to provide liquidity on the Aquis MTF in accordance with the criteria set out in the Trading Platform Guide (Annex 1).
MaC	the Aquis Market at Close Order Type.
MiFID II	the European Parliament and Council Directive on Markets in Financial Instruments. MiFID II is made up of MiFID (Directive 2014/65/EU) and the Markets in Financial Instruments Regulation MiFIR (Regulation (EU) No 600/2014).
MTF	a Multilateral Trading Facility as defined in in Directive 2014/65/EU.
Market of Listing	the Regulated Market on which a Security is listed.
Market of Listing Closing Price	in relation to a Security, on any given day the Market of Listing is open for business, the price of the last transaction (usually the

auction uncrossing price) on the Market of Listing that day. If there are no transactions in a Security on a given day, the last valid Closing Price on the Market of Listing is used.

Market of Reference	the market used to take reference price information for a given Security.
Member	a Trading Member, a Direct Clearing Member, or a General Clearing Member which has entered into a Member Agreement and has been admitted in accordance with these Rules.
Member Agreement	the Aquis Member Agreement entered into by each Trading Member of Aquis MTF.
Member Notice	any notice published or issued by Aquis, concerning Rule or policy amendments, or platform or surveillance parameter changes, which will be emailed or copied to all Members and displayed on the Aquis Website.
Officers	a director, officer, partner, member or senior manager and any of their respective agents.
Order	means a buy or sell Order in relation to a Security submitted to Aquis MTF by a Trading Member.
Order Consideration Limit	a static threshold value beyond which Orders submitted to Aquis MTF are immediately rejected (see Trading Platform Guide Annex 1).
Order Type	an Order with a specific set of characteristics, e.g. a limit Order with price stipulations.
Regulated Market	a Regulated Market as defined in Directive 2014/65/EU.
Regulator	the competent authority of any EEA Member State, including (without limit) any authority in the EEA competent for the investigation and prosecution of market abuse.
Rule(s)	the Rule(s) in the Aquis Rulebook regarding Aquis MTF, as published on the Aquis website.
Security	a security admitted to trading on the Aquis MTF.
Static Price Collar	a given percentage threshold away from the last uncrossing price, or last relevant traded price, taken from the Market of Reference, beyond which Orders submitted to Aquis are immediately rejected (see Trading Platform Guide, Annex 1).
Trade	a transaction resulting from the matching of two or more Orders on Aquis MTF.
Trading Halt	Aquis ceasing or halting the operations of the Aquis MTF, in whole or in part, or by individual Security, in order to maintain a fair and orderly market.
Trading Member	an entity which has entered into a Member Agreement and has been admitted in accordance with the membership Rules of Aquis

MTF.

Trading Notice

any notice published or issued by Aquis MTF, concerning Security list changes, or technical updates, which will be emailed or copied to all Members and displayed on the Aquis website.

Trading Suspension

Aquis ceasing or halting the operations of the Aquis MTF, in whole or in part, or by individual Security, at the request of a Regulator.

Trading Platform Guide

the guidance manual for Trading Members, providing information on Aquis MTF. This is contained in Annex 1.

Website

Aquis' website www.aquis.eu .

Please note that the following Rules should be read in conjunction with Trading Platform Guide (Annex 1 of this Rulebook).

2. Membership

- 2.1 Participation in the Aquis MTF is open to Applicants who meet the Eligibility Criteria and who:
 - 2.1.1 agree to abide by these Rules and any other guidance or other requirements issued by Aquis;
 - 2.1.2 meet the technical specifications and satisfy the conformance testing requirements issued by Aquis; and
 - 2.1.3 have in place an agreement in such form as the Central Counterparty may specify when applying to become a Direct Clearing Member, or a General Clearing Member.
- 2.2 Applications for membership shall be made to Aquis in such form as Aquis may specify or accept.
- 2.3 Aquis will notify each Applicant whether or not its application has been approved. If the application is approved, Aquis will state via written notice the date on which the Applicant's membership shall become effective.
- 2.4 The Eligibility Criteria is as follows:
 - 2.4.1 Members must be EEA regulated investment firms or credit institutions or persons who Aquis believes to be suitable for admission;
 - 2.4.2 In accordance with Article 53(3) of Directive 2014/65/EU, to be suitable for admission Members must be of sufficient good repute, have a sufficient level of trading ability, competence and experience, adequate organisational arrangements and sufficient resources to be trading Members of Aquis MTF;
 - 2.4.3 Members must have in place adequate systems and controls to ensure their ongoing compliance with these Rules;
 - 2.4.4 Members must have in place appropriate technology and systems to enable them to access Aquis MTF and appropriate security measures; and
 - 2.4.5 Members must have in place appropriate Order management, Order routing, execution, voice and other recording facilities to provide Aquis (if requested) with such information as it may require in relation to the validity and execution of any Order.
 - 2.4.6 Members must have in place appropriate clearing and settlement arrangements.
- 2.5 Applicants must declare which type of business they intend to conduct on Aquis MTF

(client business and/or proprietary business). Non-client facilitating proprietary Order flow submitted for continuous trading must use the Post-Only Order type to ensure it only trades passively. This Rule does not apply to the Market at Close and Auction On Demand.

- 2.6 Aquis has a direct contracted relationship with and deals exclusively with Members. Aquis does not have any relationship with any client of any Member including (without limit) those who access Aquis MTF via Direct Electronic Access. A Member is solely responsible for every Order submitted by, or through the Member to the Aquis MTF irrespective of whether the Member was acting as principal or agent when placing the Order, including Orders submitted by any customers of the Member thorough an automatic Order routing service.
- 2.7 Where a Member declares that they will only use the Aquis MTF for conducting Client Business or proprietary trading for the purposes of client facilitation, the Member must employ best endeavours to verify if any clients it permissions for DEA trading on Aquis are submitting non-client facilitating Proprietary Trading Order flow. If so, that flow must use the Post-Only Order type for continuous trading to ensure it only trades passively.
- 2.8 A Member must give Aquis thirty (30) calendar days' notice in writing of its intention to resign from Membership of Aquis.
- 2.9 A Member's resignation is not effective, and the Rules will continue to bind the Member until:
 - 2.9.1 all the Member's outstanding Orders have been matched, cancelled or withdrawn; and
 - 2.9.2 all the Member's obligations under the Rules have been performed.
- 2.10 If it appears that a Member (or any person acting in the name of a Member):
 - 2.10.1 does not comply with these Rules;
 - 2.10.2 is in such financial condition that Aquis reasonably considers that it would not be prudent to permit it to continue trading on Aquis MTF;
 - 2.10.3 ceases to meet the Eligibility Criteria;
 - 2.10.4 is subject to regulatory enforcement or other proceedings by the FCA or any other Competent Authority which has a material impact on the Member's ability to comply with the Rules;
 - 2.10.5 fails to pay any Fees due to Aquis within 60 days after the same has become payable; or
 - 2.10.6 engages (or is suspected of engaging) in any activity which has or is likely to impair the functionality, speed or reliability of the Aquis MTF or compromise, impair, restrict or prevent the ability of Aquis to operate a fair and orderly market; then

Aquis may, at its absolute discretion, suspend or terminate the membership of a Member or restrict the Member's right to place Orders or receive information from

the Aquis MTF.

- 2.11 The Member will be notified in writing of any action taken, or proposed to be taken, by Aquis in relation to this Rule.
- 2.12 In addition to taking any such disciplinary action against the Member, Aquis may also report the behaviour of the Member to the relevant Regulator.
- 2.13 Where disciplinary procedures under these Rules are in place or an investigation by Aquis in relation to the conduct of the Member is underway, a Member's obligations under Rules 2, 3, 5 and 11 will continue for one (1) calendar year after a Member ceases to participate in Aquis, either by reason of termination or resignation.
- 2.14 Aquis retains the right to bring disciplinary action against a Member under these Rules for up to one (1) calendar year after a Member ceases to participate in Aquis where the cause of action occurred prior to the termination of membership.

3. Continuing Obligations

- 3.1 Members shall at all times ensure their continuing compliance with these Rules including (without limit) the Eligibility Criteria and any decision or direction of Aquis in relation to Aquis MTF.
- 3.2 Each Member shall be responsible for compliance with all legal and regulatory responsibilities which may be imposed on the Member including (but not limited to) making appropriate arrangements for the reporting of any Trades executed on the Aquis MTF.
- 3.3 Members must have and maintain adequate internal procedures and controls to prevent the submission of erroneous Orders to Aquis MTF, including via DEA arrangements.
- 3.4 Members engaged in algorithmic trading must ensure all algorithms and systems deployed on the Aquis MTF are adequately tested to ensure they do not behave in an unintended manner or contribute to disorderly trading conditions. Members should have the ability to switch off malfunctioning algorithms.
- 3.5 Members must ensure that they meet and continue to meet the technology requirements specified by Aquis as amended from time to time, including successful completion of relevant conformance tests, as required.
- 3.6 Members must ensure that any persons, whether staff or clients, who submit Orders to Aquis through the Member are sufficiently trained, and adequately supervised, and have adequate experience, knowledge and competency to abide by and comply with the Rules of Aquis MTF.
- 3.7 Members must ensure that any information, statement or representation made by it, or by any of its appointed Officers, employees or agents, in any application, report or other communication to Aquis is not false or misleading.
- 3.8 Each Member must ensure timely payment of any Fees owed to Aquis by virtue of membership or use of Aquis MTF.

- 3.9 Members will co-operate with Aquis and the FCA (or any other Competent Authority) in any investigation conducted in relation to trading on the Aquis MTF.

4. Notifications

- 4.1 Members shall notify Aquis immediately on the occurrence of any of the following in relation to it:
- 4.1.1 an Insolvency Event;
 - 4.1.2 any enforcement action or other proceedings which could impair or restrict the Member's ability to comply with these Rules, unless such a disclosure is prohibited by law or any relevant Regulator; and
 - 4.1.3 becoming aware that it is in breach of these Rules and such a breach is likely to impair a fair and orderly market on the Aquis MTF; and
 - 4.1.4 any other action or omission by the Member or by any other Member which may impair a fair and orderly market on the Aquis MTF.
- 4.2 Members should notify Aquis as soon as reasonably practicable on the occurrence of any of the following in relation to it:
- 4.2.1 a change of name, address, legal status, or the business name under which it carries on business;
 - 4.2.2 a change of control;
 - 4.2.3 a breach of these Rules, unless such a breach is likely to impair the ability of Aquis to operate a fair and orderly market, in which case a notification must be made immediately as per Rule 4.1.3;
 - 4.2.4 a change which results in the Member being unable to fulfil the Eligibility Criteria;
 - 4.2.5 any amendments or planned amendments to the Member's business profile in relation to its activities on Aquis Exchange, including Rule 2.5 & 2.7;
 - 4.2.6 any changes to its clearing and settlement arrangements; and
 - 4.2.7 any other significant events or matters which Aquis might reasonably expect to have brought to its attention.
- 4.3 All notifications by a Member under these Rules shall be made to the Aquis Compliance Team using the contact details supplied to the Member upon successful completion of the application process (as amended from time to time). Where a notification is initially made verbally or via electronic mail, there may be a requirement for the notice to be subsequently confirmed in writing.

5. Information

- 5.1 Aquis may require a Member to disclose information or produce documents in its possession, custody or control relevant to its business on Aquis, in a format specified by Aquis, for the purposes of Aquis' client record keeping (including corporate structure, governance arrangements and trading profile), investigating compliance with these Rules, or in response to a legal obligation or request by a Regulator (save to the extent that such a disclosure is prohibited by law or any relevant Regulator).
- 5.2 Members will provide all reasonable assistance to Aquis regarding the investigation of a possible breach of these Rules.
- 5.3 Prior to the deployment or substantial update of a trading algorithm or trading strategy, Members engaged in algorithmic trading must certify that the algorithms they deploy on the Aquis MTF have been tested to avoid contributing to or creating disorderly trading conditions and explain the means used for that testing.
- 5.4 Aquis may disclose information and documents received from any Member to any Regulator for any purpose including (without limit) enabling any Regulator to commence or pursue any investigation or enquiry, or institute, continue or defend any proceedings.
- 5.5 Aquis will use best-endendeavours to notify Members of pending market events or corporate actions which are likely to impact the pricing of Securities, however Aquis cannot be held responsible for any errors or omissions.
- 5.6 Each Member must retain a record of each Order and Trade executed on the Aquis MTF for at least five (5) years.

6. Admission, Suspension and Removal of Securities from Trading

- 6.1 Aquis will admit Securities to trading on the Aquis MTF where they have first been listed or admitted to trading or are under an application to be listed or admitted to trading on an EEA or equivalent market (the Market of Listing). However the decision to admit a Security to trading on the Aquis MTF is at the discretion of Aquis.
- 6.2 Aquis will immediately suspend trading in any Security without prior notice to Members if requested to do so by a Regulator or if a Regulatory Suspension has taken place.
- 6.3 Aquis may also suspend or remove any Security from trading without prior notice to Members where it considers in its absolute discretion that suspension is required to maintain fair and orderly trading on Aquis MTF.
- 6.4 Aquis will notify Members by Trading Notice promptly upon admitting, suspending or removing any Security from trading.
- 6.5 Aquis Order validation is done on the point of Order entry at the FIX and ATP Port, i.e. the details for the Security and Order contained in the message the member is submitting to the exchange. Aquis cannot be held liable for any static data mapping carried out by members.

7. Trading Rules

Hours of Trading

- 7.1 Aquis MTF will operate during the hours determined by Aquis, as notified to Members on the Aquis website. Any changes in the hours of operation will be notified to Members by Member Notice.

Orders

- 7.2 Members may submit, amend or cancel their own Orders during the times specified by Aquis.
- 7.3 The Order Types that may be submitted on Aquis MTF are set out in the Trading Platform Guide (Annex 1). Order Types may be added or deleted at the discretion of Aquis. Changes to Order Types will be notified to Members by Member Notice.
- 7.4 Any applicable minimum Order sizes and tick sizes are detailed on the Aquis website.
- 7.5 All Orders are firm and available for execution on the Aquis MTF in accordance with the terms of the Order.
- 7.6 Orders in continuous trading will be matched using price/time priority (where time priority is based on the time stamped on an Order when it arrived in the Aquis MTF). The AoD (Auction On Demand) Order priority is price/Member/time (Member priority only applies to 'trade at middle' AoD Orders). The MaC (Market at Close) Order priority is Member/time.
- 7.7 When modifying an Order on Aquis MTF, a reduction in the Order quantity will not affect that Orders' priority in the Order book. However an increase in Order quantity will not maintain that Order's priority in the Order book.
- 7.8 When an Order is matched on the Aquis MTF, it will create a binding contract between the relevant Members, and their Central Counterparty and/or General Clearing Member as applicable, for the sale and purchase of the specified amount of the relevant Security at the price determined by the Aquis MTF (unless otherwise provided for in these Rules).

Erroneous Trades

- 7.9 Aquis may, in its absolute discretion, acting reasonably, delete an accepted Order or retrospectively break executed Trades which it believes are erroneous, invalid, deceptive, manipulative, fraudulent, or may impair the integrity of the Aquis MTF, whether or not a Member has made an application to have such a Trade declared an Erroneous Trade. This also includes meeting the obligations set out for the MaC (Market at Close) Order Type.
- 7.10 In determining whether a Trade is erroneous, Aquis shall consider the need to maintain a fair and orderly market for the protection of investors and public interest.
- 7.11 Aquis shall notify the concerned counterparties that a Trade is under review as soon as practicable.

- 7.12 In the event of a trading error, a Member may apply to Aquis MTF to have an executed Trade cancelled and declared an Erroneous Trade. Such a request to review should be made via telephone and submitted in writing (preferably by electronic mail) within thirty (30) minutes of the execution of the Trade in question. Upon receipt, Aquis will notify the counterparty to the Trade as soon as reasonably practicable.
- 7.13 Members must provide Aquis with all supporting information surrounding the Trade to enable Aquis to determine whether the Trade should be declared an Erroneous Trade.
- 7.14 Aquis will not cancel a Trade following a Member request without the consent of the counterparty to the Trade in question.
- 7.15 Aquis will notify all parties to the Trade of its decision to take any action under the Erroneous Trade Rules.

Trading Halts and Suspensions

- 7.16 Securities suspended by a Regulator or at the request of the issuer of the Security will automatically be suspended on Aquis. Any Orders in a Security suspended by a Regulator or issuer shall be cancelled by Aquis and any Trades in that Security executed on or after the receipt of a notice from the relevant Regulator or issuer shall be cancelled.
- 7.17 In addition to suspensions of trading by a Regulator, Aquis may (without prior notice to Members) cease or halt the operations of the Aquis MTF, in whole or in part, in order to maintain a fair and orderly market for the protection of investors and the public interest.
- 7.18 In the event of any cessation or halt, Aquis shall cancel all outstanding Orders in any Securities affected, and may reverse all or any of the Trades executed during the affected period.
- 7.19 Any action taken in relation to Trading Halts will be notified to Members as soon as reasonably practicable.

8. Market Conduct

- 8.1 Members must not engage in any conduct which results in the creation of, or is intended or designed to create, a false or misleading impression as to the market in or price of any Security, or effect a Trade in, or induce the purchase or sale of, any Security by means of any manipulative, deceptive or other fraudulent device or contrivance which is prohibited by Regulation (EU) No 596/2014.
- 8.2 Members must not engage in any form of behaviour which could adversely affect fair and orderly trading on the Aquis MTF.
- 8.3 Members must not commit any act or engage in any behaviour which causes or contributes to a breach of the Rules by another Member.
- 8.4 Aquis will monitor Trades undertaken by Members on the Aquis MTF in order to

identify breaches of the Rules, disorderly trading conditions, or conduct which may involve market abuse.

- 8.5 Aquis may report any significant breaches of the Rules, disorderly trading conditions or conduct to the FCA. Aquis may also supply any relevant information without delay to the Regulator responsible for the investigation and prosecution of market abuse and will provide full assistance to the Regulator in investigating and prosecuting market abuse occurring on or through the Aquis MTF.

9. Direct Electronic Access (DEA)

- 9.1 Aquis only has a relationship with its Members. It does not have a relationship or obligations towards any clients of its Members, including where such a client gains direct or indirect access to the Aquis MTF.
- 9.2 A Member is solely responsible for every Order and all activity submitted to the Aquis MTF using their access methods. This includes any activity carried out on Aquis MTF by clients of a Member using DEA, and a Member's clients' compliance with the Aquis Rules. DEA providers must be able to identify the different order flows from the beneficiaries of any sub-delegation.
- 9.3 Members who offer DEA services to their clients must ensure they adhere to Article 17(5) of Directive 2014/65/EU and associated guidance in Chapter III of Commission Delegated Regulation (EU) 2017/589 with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading.
- 9.4 Members must ensure all DEA activity they facilitate into Aquis is properly monitored and that appropriate risk controls are in place to prevent trading that may create risks that could create or contribute to a disorderly market, or could be in breach of Regulation (EU) No 596/2014, or contrary to Aquis Rule 2.7.
- 9.5 Aquis may at any time, in its absolute discretion, suspend, terminate or restrict the rights of any Member allowing DEA to access and use the Aquis MTF, or make such access or use subject to the relevant Member's or DEA Client's compliance with any further requirements as Aquis may reasonably impose.
- 9.6 Aquis allows DMA only and does not facilitate Sponsored Access.

10. Liquidity Provider Scheme

- 10.1 Provided that a Liquidity Provision Agreement has been entered into, and has not been terminated, Aquis will recognise a Member as a Liquidity Provider on the Aquis MTF, where it continues to satisfy the requirements of the Liquidity Provider Scheme.
- 10.2 Where Aquis reasonably believes and has determined that a Liquidity Provider has not acted in accordance with the requirements of the Liquidity Provision Scheme (as set out in the Trading Platform Guide (Annex 1)), Aquis, in its absolute discretion, may suspend or terminate a Member's status as a Liquidity Provider on the Aquis MTF.

- 10.3 Aquis reserve the right to amend the details of the Liquidity Provision Scheme. Amendments to the Liquidity Provision Scheme will be notified to Members in accordance with Rule 13.2.

11. Settlement

- 11.1 A Member must, in relation to Trades executed on the Aquis MTF, settle all obligations in accordance with the Rules and customs of the relevant Market of Listing, and pursuant to any Rules and procedures established by the Central Counterparty.
- 11.2 In the event of settlement default, the relevant Rules of the Central Counterparty will apply and a Member must comply with such Rules.

12. Complaints

- 12.1 Aquis will consider and respond within a reasonable timescale to complaints by any Members relating to Aquis' operation of the Aquis MTF.
- 12.2 Aquis will maintain appropriate records of any complaints submitted to it, including details of the complaint and how it was resolved.
- 12.3 A copy of the Aquis Complaints Procedure is available upon request.

13. Amendments to the Rules

- 13.1 These Rules, including Annex 1, may be amended or extended by Aquis at any time. Unless otherwise required by a regulatory body or law, amendments to the Rules shall not apply retrospectively.
- 13.2 All amendments to these Rules will be notified to Members by Member Notice, and be effective at such time specified in the relevant Member Notice.
- 13.3 In general, Aquis will subsequently consult with a representative group of Members prior to making material amendments to the Rules. However, in case of emergency, Aquis may make a material amendment without prior consultation of Members. In such cases, Aquis will consult with a representative group of Members as to whether the material amendment should be retained.

14. General

- 14.1 Aquis is authorised and regulated by the Financial Conduct Authority under firm reference number 595785.
- 14.2 These Rules are governed by and shall be interpreted in accordance with the laws of England.

ANNEX 1 Trading Platform Guide

1 Introduction

This Annex explains the functionality of the Aquis MTF, as well as the associated policies, procedures and technology. It should be read in conjunction with the following documents:

- Rulebook;
- Market Data Technical Specification;
- Connectivity Guide;
- ATP Specification;
- FIX 4.2 Technical Specification; and
- Drop Copy FIX 4.2 Specification

Terms defined in the Rulebook have the same meaning in this Annex.

Aquis is authorised and regulated by the Financial Conduct Authority (FCA) as an investment firm to operate a multilateral trading facility. Transactions conducted on the Aquis MTF are centrally cleared through a choice of Central Counterparty (CCP).

2 Overview of Aquis Functionality

2.1 Matching Engine

The Aquis MTF is an anonymous central limit Order book. Full details of Order types on the Aquis MTF can be found in Section 5. The Aquis Matching Engine compares the limit price of an incoming Order with the price of resting limit Orders on the other side of the book. If the incoming Order is immediately marketable against the book, an immediate match (or execution) is made and communicated back to Members as a Trade. If the incoming Order is matched against multiple Orders then multiple Trades will be executed.

Resting Orders are matched according to price/time priority.

2.2 Price Reference Check

All Orders entered into the Aquis MTF are subject to a price reference check against the static price collar.

For any given Security the last auction price on the Market of Reference is used to determine the reference price for the calculation of the collar. This will also include any intraday auctions.

Orders entered into the Aquis MTF up to and including the reference price collar will be either executed or placed on the central limit order book.

Passive Orders with a price limit exceeding the collar prices are accepted up to and including the passive collar threshold.

When the execution of an aggressive order would lead to a breach in the collar price, the order will be rejected.

In the case of liquidity imbalance when a price collar is reached, Aquis will, at its discretion, reset the reference price and re adjust the static price collar limits accordingly. The Aquis static price collars are set as default according to recognised market groupings as defined by the Market Of Reference.

Aquis price reference collars can be found on the website www.aquis.eu.

2.3 Order Consideration Limit Check

All Orders entered into the Aquis MTF are subject to an Order Consideration Limit check. Where an Order is received that would breach the Order Consideration Limit the Order is rejected.

The Order Consideration Limit is set as default to €20 million.

Members can elect to set the Order Consideration Limit according to their own parameters. Members wishing to do this should contact support@aquis.eu.

2.4 Self-Trade Prevention

Aquis MTF offers self-trade prevention functionality for Members. This prevents a Member from trading with themselves by cancelling the resting Order that would otherwise match.

2.5 Kill Switching

In the event of severe malfunction Members may contact Aquis to request severance of their trading connections to Aquis MTF. Contact is via the Aquis Operations desk. 'Kill' requests can only be made by an official Trading Profile Contact and can only be actioned once Aquis receives the kill request in writing via email.

2.6 Market Data

Aquis has developed a proprietary, binary protocol to deliver market data. These feeds consist of real-time Order and Trade feeds publishing continuously throughout the trading day. In accordance with Delegated Regulation (EU) No 2017/587 this will include the aggregate number of Orders and the quantities they represent at each price level for at least the five best bid and offer prices. The trade feed will include the price, volume and time of the transactions executed in accordance with the post-trade transparency guidance of MIFID II. Members may receive Aquis data from a market data provider or can develop a feed handler to integrate the data into their models and systems.

3 Membership and Access to the Aquis MTF

Membership of the Aquis MTF is open to any organisation which meets the Eligibility Criteria set out in the Aquis Rulebook (Section 2). Applications for Membership should be made using the Membership Application Form, which can be found on the Aquis website.

Aquis may require additional information in order to assess an application, including:

- For EEA regulated investment firms or credit institutions; further information on its regulatory status and scope of its permissions.

- For non-EEA regulated investment firms or credit institutions; any information which Aquis may require to determine whether the Applicant is fit and proper, has adequate trading controls and sufficient resources to become a Member of the platform.
- For Applicants not in the regulated sector, and not subject to the EU anti-money laundering Directive 2005/60/EC, such information as Aquis may reasonably require to ensure that the Applicant has in place adequate procedures and controls to prevent money laundering and other financial crime.
- In accordance with Article 53(3) of MiFID II, such information as Aquis may reasonably require to ensure that the Applicants must be of sufficient good repute, have a sufficient level of trading ability, competence and experience, adequate organisational arrangements and sufficient resources to be trading Members of Aquis MTF.

3.1 Liquidity Provider Scheme

Aquis offers a Liquidity Provider Scheme to its Members. Any Member who wishes to make use of the Liquidity Provider Scheme must sign a Liquidity Provider Addendum.

In accordance with MiFID II, Members who post firm, simultaneous two-way quotes of comparable size and at competitive prices for at least 50% of the daily trading hours of continuous trading for half of the trading days over a one month period in a Security will automatically be deemed as a Liquidity Provider in that Security and will be required to sign a Liquidity Provider Liquidity Provider Addendum with Aquis.

Aquis will monitor Member's trading activity in accordance with the above thresholds and monitor Member's performance under the terms of Aquis' Liquidity Provider Scheme.

In order to maintain qualification as a Designated Liquidity Provider (DLP) under the Liquidity Provider Addendum, a Member must maintain quotes such that the aggregate displayed size of qualifying bids or offers in any relevant Security is at least the equivalent of required size in the traded currency of that Security.

For each relevant Security, a DLP must enter and maintain bid and offer prices that meet the spread criteria (as set out below).

The Liquidity Provider Scheme will be active between the Official Market Open and Market Close times, excluding auction periods, trading halts and public holidays in the relevant Security.

DLPs are required to post a minimum of €5,000 on both sides of the Order Book (bid and offer), within 1% of the Market Of Reference BBO (RBBO) for at least 50% of the time in these Securities.

The required size, specified price, and required time shall be as follows:

	Required size	Required price	Required time
LP Scheme (Standard)	€5,000	Within 1% of the RBBO	50%

The DLP's performance is averaged over the month and monitored against these criteria.

Further information on the application process can be obtained by contacting sales@aquis.eu.

3.2 Exceptional Circumstances

In the case of Exceptional Circumstances, DLPs will not need to comply with their market making obligations for the period where these circumstances persist.

Aquis Exchange recognises the following conditions to constitute exceptional circumstances:

- A. A situation of extreme volatility triggering volatility mechanisms for the majority of financial instruments or underlyings of financial instruments traded on a trading segment within the trading venue in relation to which the obligation to sign a market making agreement applies;
- B. War, industrial action, civil unrest or cyber sabotage;
- C. Disorderly trading conditions where the maintenance of fair, orderly and transparent execution of trades is compromised, and evidence of any of the following is provided:
 - I. The performance of the trading venue's system being significantly affected by delays and interruptions;
 - II. Multiple erroneous Orders or transactions;
 - III. The capacity of a trading venue to provide services becoming insufficient;
- D. Where the DLP firm's ability to maintain prudent risk management practices is prevented by any of the following:
 - I. Technological issues, including problems with a data feed or other system that is essential to carry out a market making strategy;
 - II. Risk management issues in relation to regulatory capital, margining and access to clearing,
 - III. The inability to hedge a position due to a short selling ban.

Members will be informed of Exceptional Circumstances affecting the whole platform by way of a member notice and also a public website post.

Upon resumption of normal trading conditions DLPs will be notified by similar means 60 minutes before they are expected to resume their market making obligations.

4 Eligible Securities

Aquis offers trading in a range of European securities, including the constituents of the major European indices. Currencies quoted will be the local currency for each Security.

Members will be given access to trading in all securities in which they have in place appropriate clearing arrangements. Members must ensure they have the necessary regulatory permissions to trade the securities for which they enter Orders into the Aquis system.

5 Order Types

5.1 Limit Orders

Aquis accepts limit Orders on the Aquis MTF.

5.2 Iceberg Orders

Aquis accepts Iceberg Orders on the Aquis MTF.

An iceberg order is an Order with a portion visible and portion hidden (not visible in the central limit order book). The visible portion is refreshed once totally executed. The hidden

portion does not interact with the other Orders in the central limit order book, except in the case of aggressive Orders.

For incoming aggressive Orders, each lit portion is executed in timestamp order.

For incoming aggressive Orders where the size of the Order is greater than visible portion of all Orders at the same price, the visible Orders are executed in timestamp order.

The remaining portion of the incoming Order is then executed against the hidden portion of the iceberg Order with the highest queue priority/oldest hidden timestamp (i.e. the original Order timestamp) in full, before moving on to the next chronological iceberg Order's hidden amount.

Note that the hidden portion always retains the original Order timestamp whilst, if executed, the lit portions are assigned new timestamps.

The lit portion of the Order can be set to any number up to the total Iceberg Order size. The lit portion of the Order must be greater than zero. The minimum allowed size for an iceberg order is €10,000.

Note that any adjustment to increase either the total iceberg Order size or the size of the displayed lit portion of the Order will result in loss of time priority at the given price level.

Any adjustment to decrease either the total iceberg Order size or the size of the displayed lit portion of the Order will not result in loss of time priority.

Aquis relies on a pre-trade transparency waiver for 'orders held in an order management facility' in accordance with Article 4(1)(d) of Regulation 600/2014.

5.3 Post-Only Orders

Aquis accepts Post-Only Orders on the Aquis MTF.

If the limit price of the Post-Only Order would cross the book then it will be cancelled back to the Member (it is not permitted to be aggressive). Otherwise if posting at a valid price level then the Order will post and rest on the book (subject to the usual posting time priority).

Any post-only order without a limit price will be rejected.

5.4 Post-Only Cancel Replace (POCR) Orders

When a Member enters a POCR order that could cross against an order they have already posted on the other side of the book, POCR will allow that Member's resting order to be cancelled and replaced rather than the incoming order being rejected. Please note that Members must have self-trade prevention enabled in order for the POCR order type to function correctly.

If the incoming POCR order has the correct price limit to aggressively trade against another Member's order then the incoming POCR will be rejected.

5.5 Large In Scale Trade Capture Reports

Aquis accepts Large In Scale (LIS) cross trade capture reports on the Aquis MTF. Both legs of the block cross must be pre-agreed agency order flow.

LIS crosses are pre-agreed buy/sell agency trades and are not displayed and will not interact with the order book.

A cross shall be considered to be large in scale compared with normal market size if it is equal to or larger than the minimum size of order specified in Table 1 in Annex II of the Commission Delegated Regulation (EU) 2017/587. All values will be converted to euros.

An order in respect of an ETF shall be considered to be large in scale where the order is equal to or larger than EUR 1,000,000.

LIS Cross reports which are not equal or larger than the minimum size requirement will be rejected.

Aquis relies on a pre-trade transparency waiver for 'LIS trade capture reports' in accordance with Article 4(1)(c) of Regulation (EU) No 600/2014.

5.6 Negotiated VWAP/TWAP Cross Trade Capture Reports

Aquis accepts Volume-Weighted Average Price (VWAP) and Time-Weighted Average Price (TWAP) cross trade capture reports on the Aquis MTF.

Both legs of the cross must be pre-agreed agency order flow. The Aquis Member will act on behalf of both the buyer and the seller, so will have both legs of an agreement to transact in a given Security against the VWAP or TWAP price at a future point in time.

The VWAP/TWAP trade capture report formalises recognised VWAP/TWAP cross transactions where a Member agrees to effect a transaction at a volume/time weighted average price over their chosen period of time.

Members shall be solely responsible for pricing of any trade capture report submitted to Aquis. Trade capture reports must be priced according to defined methodology which accurately reflects the underlying benchmark in question.

Aquis relies on a pre-trade transparency waiver for 'systems that formalise negotiated transactions which are subject to conditions other than the current market price of that financial instrument' in accordance with Article 4 1(b)(iii) of Regulation (EU) No 600/2014.

It should be noted that in accordance with Article 29(2) of MiFID, and Title II Article 4(1)(b)(iii) of Regulation (EU) No 600/2014 MiFIR, VWAP/TWAP cross trade capture reports formalise negotiated transactions which are subject to conditions other than the current market price of the share. Therefore these trades will not be subject to the double volume caps.

5.7 Auction On Demand

Aquis offers Auction on Demand (AoD) functionality. The AoD is a separate order book to Aquis continuous trading and has a separate segment MIC. The AoD will operate during the hours of continuous trading.

There will be no interaction between the AoD (MIC:AQXA) and the existing Aquis lit continuous order book (MIC:AQXE).

Members can enter buy/sell Orders for securities which will rest on the AQXA book until they can be matched with another valid Order on the other side. At this point the lit AoD is triggered.

The AoD auction will last for 50ms + additional random uncross period of up to 25ms before uncrossing.

5.7.1 Order Entry

The limit price attached to an Order must be within ABBO (Aquis Best Bid & Offer). In the event that a Security has no Aquis bid/offer at the time of order entry, then 10% from the last

traded price will be used as a reference. Orders placed outside of the above parameters will be rejected.

The following order types will be permitted with the Auction on Demand (AoD):

- a) Limit Order only;
- b) Limit Order with 'Trade At Middle' option (allows price improvement on executions which can occur at mid-tick).

Note that Orders in the AoD cannot be modified (only cancelled and subsequently replaced if required).

5.7.2 Matching Process

The auction process is triggered when a valid order is entered into the book which can successfully match with an existing resting order. At this point the lit auction process begins.

The first two valid 'trade at middle' Orders will determine the mid-point price. Once a mid-point price has been set all subsequent valid 'trade at middle' Orders will execute at that price. This applies even if one or more of the original Orders which form the initial mid-point price are then subsequently cancelled.

Trades from 'trade at middle' selected Orders can have a mid-tick execution price.

Trades have to be priced at or within the ABBO.

If, at any time, a standard Limit Order is entered into the AoD, all 'trade at middle' functionality will cease to apply in that particular auction. Limit Orders with a 'trade at middle' option will then become standard Limit Orders.

5.7.3 Matching Priority

The matching algorithm for the Aquis AoD book will have price/member/time priority.

However 'Member' priority will apply to 'trade at middle' Orders only.

If multiple limit Orders that are not 'trade at middle' exist at the same price level, then time of order entry will be considered.

5.7.4 Executions

The execution price is determined via the matching algorithm, as described above. The algorithm execution price must be within ABBO at end of the auction period. In the event that the determined execution price is outside of the ABBO at the end of the auction period, the auction will be cancelled and the Orders cancelled back to the submitting members.

Note that should a Security experience a regulatory suspension during the matching process of a live AoD, that AoD will be cancelled immediately.

At the end of the auction period, unexecuted or partially executed quantities will be cancelled back to the submitting Member.

Self-trade prevention will NOT apply to the AoD.

If configured, self-trade clearing suppression will be applied.

5.7.5 Market Data

Unmatched resting Orders will not be broadcast. Once an auction is triggered, the indicative price and indicative matched volume are displayed in real-time.

5.8 Market At Close Auction Orders

Aquis accepts Market at Close (MaC) Orders on the Aquis MTF which will be executed at the Market of Listing Closing Price. MaC Orders are accepted throughout the trading day.

Halfway through the end of day Market of Listing Auction Aquis will commence its randomised lock phase, which may last up to 30 seconds, and match Orders on its auction book, not allowing any new Orders, amendments, or cancellations.

Upon lock, unmatched Orders will be cancelled back to the submitting Member. Should the Market of Listing Closing Auction be delayed, extended or cancelled, all Aquis MaC Orders in the Security in question will be cancelled.

5.8.1 Order Entry

MaC Orders are all 'at market'.

5.8.2 Matching Process on Aquis MTF

1. Auction Unlocked Phase

- Phase starts at the same time as Market of Listing Auction.
- At market Orders may be entered, amended or cancelled.
- Market data is disseminated in real time.

2. Random Lock Phase

- Phase starts two minutes thirty seconds after the normal scheduled start time of the Market of Listing Auction.
- The auction order book will be locked from any member changes at a random point in time during a thirty second time window thereafter.
- Market data is disseminated in real time to MaC users (first 5 valid bid/offer Orders).
- Upon lock, Orders are matched, with Member, time, volume priority. Buy/sell Orders from the same Member have matching priority ahead of any third-party Member Orders (this priority only applies to MaC Orders).
- Upon lock, imbalanced Orders are cancelled.

3. Auction Locked Phase

- Phase starts after completion of the Random Lock Phase.
- The Order Capacity can be amended at any point up until the trade is published. MiFID II Order origination tags must also be supplied when amending the Order Capacity. All other order attributes will remain as per the original Order.
- All unmatched Orders are cancelled and market data is disseminated in real time.

4. Execution

- Phase starts upon completion or delay or extension or cancellation of the Market of Listing Auction.
- The locked matched Orders are executed at the market of listing Closing price.
- Execution market data is disseminated.

- If the market of listing auction is delayed or extended or cancelled all Aquis Closing Auction Orders are cancelled.

5.8.3 Market Data

Aquis will publish in real time the first 5 valid bid and offer Orders received in that Security, continuously during the entire period of the Aquis Closing auction to subscribers of the MaC. Aquis will also disseminate on a real time basis the indicative auction price and the closing price of the Market of Listing MaC subscribers. This information will also be published with a delay of 15 minutes on the Aquis public market data feed.

5.8.4 Matching Priority

Upon lock, Orders are matched, with Member, time, volume priority.

5.8.5 Executions

Executions are priced at the Market of Listing Closing Price.

5.9 Order Durations

The default duration for Orders submitted to Aquis is a Day Order (an Order which is available for trading for the full duration of trading hours until market close). Other Order durations accepted on Aquis are:

- Day Order (default)
- GTD – Good Till Date
- IOC – Immediate Or Cancel
- FOK – Fill Or Kill

6 PTM Levy

Members should ensure payment of the PTM Levy by it or its clients to the Panel on Takeovers and Mergers in relation to qualifying Trades undertaken on the Aquis MTF for Securities of companies incorporated in the United Kingdom, the Channel Islands or the Isle of Man.

7 Clearing and Settlement

Aquis offers interoperable clearing arrangements with EuroCCP NV, LCH Ltd and SIX X-Clear for its Members. All Members must have an appropriate clearing relationship either with a General Clearing Member, or directly with a Central Counterparty.

Settlement takes place in accordance with the respective requirements and settlement timeline of the local Central Securities Depository (CSD) for each Security.

8 Stamp Duty

Members are reminded that it is their responsibility to ensure that all applicable transaction taxes are properly accounted for (including, but not limited to, UK Stamp Duty Reserve Tax, Irish Stamp Tax and Financial Transaction Taxes).

For UK and Irish securities, Members should ensure that they have arrangements in place, or scheduled, to use cross-platform netting. Any settlement obligations resulting, in part or full, from Trades arising on the Aquis MTF should be reflected in the CREST system flagged with TSO 9.

Members may benefit from Intermediary Relief from the UK and Irish tax regimes. If Members are unsure of their relief status or the use of TSO 9 they should contact posttrade@aqis.eu.

9 Trading Hours and Calendar

Aquis' trading hours are as follows:

Time (CET)	Event(s)
04:00:00	Reference data files published. Reference data files may be updated until 07:30. In the rare event that a correction is required to the Security master file after 07:30, a trading notice email will be sent to Members in addition to the file being re-published on the FTP site.
07:15:00	Members can log in, but Orders will be rejected
08:30:00	Security Status Message published
09:00:00	Market Open (start of continuous trading)
17:30:00	Market Close (end of continuous trading)
17:30:00	Closing Auction Open (start of Market of Listing Closing Auction)
17:32:30 + T	Closing Auction locked phase begins (where T = additional randomised time of up to 30 seconds)
17:35:00 + t	Market of Listing Auction ends and Closing Auction Price published (where t = Market of Listing additional randomised time of up to 30 seconds)
18:30:00	Connectivity closed (Members are logged off and can no longer log in)

Where a Market of Listing opens later or closes early on a daily basis (e.g. Oslo), Aquis will also mirror the timings for that market.

Aquis will mirror the scheduled holidays of the Markets of Listing. Where a particular market(s) is scheduled to close early or for the whole day due to a public holiday, Aquis will do the same for the market(s) in question.

A full holiday calendar is available on the Aquis website, www.aquis.eu.

10 Symbolology and Market Codes

Aquis supports Uniform Symbology (UMTF codes) as well as ISIN and RIC codes. Aquis has been allocated the following MIC and vendor codes:

- Market Identifier Code (MIC):
 - AQXE (main operating MIC)
 - AQXA (segment MIC of Auction on Demand)
- Bloomberg suffix – QX
- Thomson Reuters RIC suffix – AQX