



**SECDEX EXCHANGE LIMITED ("SECDEX")
Rulebook**

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1. DEFINITIONS

In this Rulebook, unless the context otherwise requires, the following words and expressions shall have the following meanings. Unless a contrary indication appears, any reference in this Rulebook to any provision of law is a reference to that provision as amended or re-enacted from time to time and includes any subordinate legislation.

Admission	Admission to SECDEX as a Member;
Board	Means a board of directors as a team of people elected by a SECDEX's shareholders to represent the shareholders' interests and ensure that the company's management acts on their behalf in addition to ensuring good governance.
CCP	Means the entity authorised and regulated as a central counterparty ("CCP") and appointed by SECDEX for the purpose of performing the clearing and settlement of centrally cleared securities traded on SECDEX as opposed to securities cleared and settled via bilateral settlement;
Clearing Member	a Direct Clearing Member ("DCM") or a General Clearing Member ("GCM");
Clearing Pledge	An undertaking by a Clearing Member to SECDEX Clearing Limited ("SCL") stating that it authorises a specified Trading Member to conclude trades on SECDEX for which the Clearing Member has accepted responsibility;
Clearing Services	The management of positions from the point of execution to Settlement by SCL. These services include, but are not limited to, novation, netting and position management;
Client	The customer of a Member including firms provided with Order routing facilities;
Contract	The individual traded unit of an Eligible Product;
Contract Note	means a certificate confirming the terms of a sale of specified assets or securities between two parties;
Contract Terms	The terms and conditions upon which Transactions in respect of a Reference Factor arise, as set out in a document appropriately entitled and in a form approved by SECDEX;
Corporate Action	Any event that brings material change to an Underlying;

	and results in recalculation of Contracts;
Derivative	an arrangement or product (such as a future, option, or warrant) whose value derives from and is dependent on the value of an underlying asset, such as a commodity, currency, or Security. The plural term being Derivatives;
Direct Clearing Member	An entity, recognised by SCL, to perform Clearing Services on behalf of itself;
Displayed Order Book	SECDEX Order Book in which all Orders are displayed;
End User	The Client or Clients of a Member entering into a Transaction on whose behalf the Member is acting including itself as an internal Client;
Eligible Product	A Security or other Financial Instrument eligible for trading on SECDEX;
ETS	The Electronic Trading System provided by SECDEX for the trading of Eligible Products;
Financial Instrument	An Eligible Products other than a Security;
First Trading Day	The date on which the trading starts on an Eligible Product;
General Clearing Member	An entity, recognised by the SCL, to perform Clearing Services on behalf of itself and other Trading Members;
Involuntary termination	Means termination of Membership by SECDEX;
Issuer	means an entity, such as a company, limited partnership or unit trust, the Securities of which are the subject of an application for listing, or any of the Securities of which are already listed on SECDEX Exchange.
Listing Rules	Means the SECDEX Exchange Listing Rules, which govern the listing of Securities on SECDEX;
Management Board	The Executive "C" suite at SECDEX lead by the Chief Executive Officer.
Market Maker	A Member which has entered into the Market Maker Agreement to act as a liquidity provider;
Market Maker Agreement	The standard agreement entered into between a Market Maker and SECDEX whereby the Market Maker agrees to act as such in relation to certain admitted Financial Instruments;
Market Maker Scheme	The document, as amended from time to time, which contains further details in respect of Market Makers' proposed terms, commitments and applicable sanctions. This document shall be read in conjunction with the Market Maker Agreement and the Rules and

will be available on SECDEX web site at www.SECDEX.net;

Market Supervision Team	Mean a team that has oversight of all trading activity on SECDEX to prevent market abuse and insider trading.
Member	Means a Securities Dealer or recognised overseas Securities Dealer that has been admitted as a Trading Member of SECDEX;
Membership	Means being a Member of SECDEX;
Membership Application Form	Means the application form completed and submitted at the time of application to become a Member of SECDEX;
Membership Agreement	Means the legal agreement executed and submitted at the time of application to become a Member of SECDEX;
Membership Team	The SECDEX internal departments responsible for on boarding an applicant to become a Member;
Negotiated Transaction	An off Order Book Transaction, also often referred to as an OTC Transaction that is subsequently submitted to SECDEX;
Official List	Means the list of Securities admitted to listing and trading on SECDEX;
Order	An offer to buy or sell a number of Contracts submitted to an Order Book. In plural form defined as Orders;
Order Book	The Displayed Order Book system used for the matching of Orders and execution of trades operated by SECDEX;
Product Specification	The detailed information in respect of an Eligible Product setting out the standard terms of such an Eligible Product;
Reference Factor	The value or price of an investment of any description, index or other factor which forms the subject matter of a Transaction;
Relevant Transaction	A Transaction that takes place on SECDEX;
Rules	SECDEX Rulebook, SECDEX Guidance Notes, and Trading Notices issued by SECDEX as amended or extended from time to time;
SCL	Means SECDEX Clearing Limited; a CCP licensed and regulated by the Securities Authority as a Clearing Agency;
SECDEX	Means SECDEX Exchange Ltd; a Securities Exchange licensed and regulated by the Securities Authority;

Securities	As defined in the Schedule 1 of Securities Act 2007.
Settlement	The process of delivery versus payment between Members as a result of trading activities;
Securities Authority	Financial Services Authority as mandated under the Financial Services Act, 2013, Seychelles.
Sponsored Access	The facility whereby the Clients of SECDEX Trading Members have a direct technical connection to SECDEX without the need to physically go through the internal systems of the Trading Member. This is a direct technical connection only and any trading is done in the name of the Member;
Sponsored Client	The Client of a SECDEX Trading Member which connects to SECDEX through Sponsored Access;
Sponsoring Member	The Trading Member of SECDEX that provides Sponsored Access to Sponsored Clients;
Trade	means the matching of a buy Order and a sell Order with a transaction occurring.
Trading Member	A Member with a right to Trade on its own account as well as on behalf of its Clients.
Trading Day	A day on which SECDEX is open for the buying and selling of Securities;
Trading Notice	A notice issued by SECDEX on its website;
Transaction	any purchase or sale of an admitted financial instrument on SECDEX;
Transaction Report	A report provided to a regulator detailing such information as the regulator may require relating to a Trade;
Underlying	The index, commodity, Security or any other financial instrument on which an Eligible Product is based;
Vendor	A third party that assists Members in accessing SECDEX through the provision of pre and/or post-trade controls located proximate to SECDEX.

2. STATUS and PURPOSE

- a) SECDEX Exchange Limited (“SECDEX”) has applied for a Securities Exchange license under section 8 the Securities Act 2007. The license issued by Securities Authority to SECDEX relates to services on “Securities” as defined under the Schedule 1 of Securities Act 2007.
- b) SECDEX may also facilitate the trading of new Financial Instruments as may be added under the definition of “Securities” as defined under Securities Act 2007.
- c) SECDEX reserves the right to impose requirements in addition to those set forth in these Rules, in particular cases or classes of cases to the extent such additional requirements are consistent with the public interest; the protection of investors; and the fair, transparent and efficient operation of SECDEX with the prior approval of the Securities Authority.
- d) SECDEX may from time to time decide to amend these Rules with the approval of the Securities Authority. Written notice shall be given publically by SECDEX of any proposed amendment to these Rules by email as a market notice to Members and via its website.

3. ADMISSION

3.1 SECDEX Membership

In Order to be eligible to become a Trading Member on SECDEX the applicant must apply for Membership in accordance with the provisions of this chapter 3.

The eligibility criteria specified in or pursuant to Rule 3.3 shall not apply at the time of application of Membership but continuously, for as long as the Member of SECDEX.

3.2 Authorisation and Admission

- a) Members will be Trading Members.
- b) Trading Members must either:
 - 1. Have their own account at SCL; or
 - 2. Have a Clearing Pledge with a Clearing Member who is Member of SCL.
- c) Prospective Members shall be required to:
 - 1. Meet the Eligibility Criteria specified in Rule 3.3;
 - 2. Be a Direct Clearing Member or provide a Clearing Pledge from a General Clearing Member;
 - 3. Accurately complete and sign the relevant SECDEX Membership Application form which shall be in such form and be accompanied by such information as SECDEX may from time to time prescribe;
 - 4. Sign the relevant SECDEX Membership Agreement;
 - 5. Provide confirmation to SECDEX to confirm that it and its officers are fit and proper; and agree that SECDEX have the right to monitor continually monitor the conduct and suitability of SECDEX Member and its officers to ensure they are abiding with the Rules;
 - 6. Provide any other additional information as required by SECDEX;
 - 7. Sign the commitment to abide with the Rules;
 - 8. Agree that the Rules are binding on them and that they may be changed at the discretion of SECDEX; and
 - 9. Satisfy general technical requirements determined by SECDEX.
- d) SECDEX Admission shall become effective on such date and at such time as SECDEX may specify upon satisfactory fulfilment of Rule 3.2 and is at the full discretion of SECDEX.

- e) SECDEX shall keep a register of Members and shall notify Members of the admission of a new Member publically by way of a market notice to Members and on its website no later than the day prior to the new Member being active.

3.3 Eligibility Criteria

Members must meet the following Eligibility Criteria:

- a) A Member must at all times be authorised under relevant Securities Authority, Seychelles, or appropriate overseas legislation, equivalent jurisdiction or in the view of SECDEX be otherwise sufficiently regulated, in respect of capital adequacy, and fitness and probity
- b) Provide adequate evidence to SECDEX to demonstrate suitability as a Member. This includes, inter alia, the firm's knowledge and experience of the product that it intends to Trade on SECDEX;
- c) Have, in the opinion of SECDEX, a sufficient number of trained and experienced employees to conduct its business as a Member of SECDEX and to discharge its obligations to SECDEX and its customers;
- d) Have, in the opinion of SECDEX, suitable operating and business systems and procedures in place in order to properly conduct its business as a Member. These include an adequate Business Continuity Plan (BCP) plan with associated systems and adequate cyber security systems and policies.
- e) Provide adequate "Know Your Customer" documentation, as determined by SECDEX on a case-by-case basis;
- f) Have made, or is in the process of making, satisfactory settlement arrangements in respect of the market segments and asset classes which they intend to access;
- g) Have subscribed to or is in the process of subscribing to such indemnity insurance policy as may be required by SECDEX;
- h) Maintain capital adequacy levels of at least 6 months working capital;
- i) Be able to meet the continuing obligations described in 3.8.

3.4 General Requirement

- a) Officers of Members shall, subject to any waiver by SECDEX:
 - 1. Be of full legal capacity;
 - 2. Comply with such criteria of good character and high business integrity

as SECDEX deems fit;

3. Not be an un-rehabilitated insolvent, bankrupt or facing civil procedures that may declare the person as insolvent, bankrupt or otherwise not fit for business etc; and
 4. Not in the period preceding the application, as in its discretion deems fit, have been:
 - A. declared /rendered incompetent to enter into Contract under any law in force in any jurisdiction
 - B. adjudged bankrupt or a receiving Order in bankruptcy has been made against the firm or has proved to be insolvent Found to be of unsound mind, by a court of competent jurisdiction;
 - C. applied to be adjudicated for insolvency and the application is pending;
 - D. declared as a defaulter by any other derivatives exchange unless a minimum period of five years has elapsed from the date of expiry of such declaration.
 - E. declared as a defaulter or expelled by any other derivatives exchange.
 - F. disqualified by a court from acting as a director of a company;
 - G. convicted of an activity constituting a criminal offence including fraud, theft, dishonesty or market abuse, whether in the Republic of Seychelles or elsewhere;
 - H. employed by or associated with a Member of any exchange or external exchange, which Member was expelled from that exchange and where the person or officer has, in the opinion of SECDEX, contributed to the circumstances leading to the expulsion;
- b) Members who are partnerships shall comprise of a minimum of two or more partners each of who shall be a natural person, and who shall comply with the requirements set out in rule 3.4.a.
 - c) Members who are corporate entities shall:

1. Not employ, register or permit association with an officer who does not fulfil the requirements of rule 3.4.a without the prior approval of SECDEX;
2. Have, in the opinion of SECDEX, a good reputation and high business standing; and
3. In addition to the requirements set out in this rule 3.4, Members seeking admission within a specific Membership category shall comply with any additional requirements applicable to such Membership category.

3.5 Membership Application

Every applicant desirous of becoming a Member of SECDEX shall apply for admission as a Member of SECDEX, in the prescribed Membership Application Form which shall be provided by SECDEX. The Membership shall be subject to compliance of all the Rules of SECDEX.

3.6 Submission of the Application

Applicants shall submit a Membership Application Form and Membership Agreement to the SECDEX Membership team and such additional information and documents as the SECDEX Membership team may consider relevant in Order to review the application.

3.7 Determination of Application

- a. The Membership Team may recommend the admission of an applicant as a Member of SECDEX to the Board provided that the applicant satisfies the eligibility criteria. The Membership Team may interview the applicant before admitting them as a Member of SECDEX. In case the applicant application is rejected as a Member of SECDEX, the reason for such rejection shall be notified in writing. The applicant has a right of appeal to the Appeal Committee as outlined in the Protection and Grievances Mechanism for Members and Clients of Members as outlined in Appendix 2.
- b. The applicant shall meet the net worth requirement, capital adequacy norms, fees, deposits, etc., as detailed in Appendix 5.
 1. Subject to the approval and decision of the Board, each applicant applying for the Membership SECDEX shall pay, along with the Membership Application, non-refundable admission fee or any other fee/deposit that is applicable to all applicants as may be specified by SECDEX, from time to time.

2. A Member of SECDEX on admission shall not be entitled to exercise any of the rights or privileges of Membership until the applicant has paid in full the non-refundable admission fee and any other fee or deposit as may be decided by SECDEX, and the annual subscription for the year of admission for the specific category of Membership to which the applicant has sought the admission. Where such Member fails to make such payment within such number of days of receipt of the intimation of their admission, as may be decided by SECDEX from time to time, applicant admission shall be deemed to have been cancelled from the beginning and applicant shall be deemed never to have been admitted as a Member of SECDEX and the amount remitted to SECDEX shall be forfeited.

3.8 Procedure subsequent to admission

- a) Intimation letter for Admission: When a new Member of SECDEX is admitted, intimation of Admission shall be sent to the applicant by SECDEX.
- b) Certificate of admission to Membership of SECDEX: On payment of requisite fees, subscription, deposits including the initial security deposit and such other amounts and requirement as may be prescribed in Rules of SECDEX and by the Board from time to time and on compliance with all the requirements necessary before commencement of trading activity, a certificate of Membership, under the common seal of SECDEX and signed in such manner as the Board may decide from time to time, may be issued to the newly admitted Member.

3.9 Continuing Obligations

- a) Members shall at all times hold a valid licence/ authorisation from the Securities Authority, or an equivalent competent jurisdiction to conduct its business, which licence/ authorisation has not been suspended, terminated or subject to regulatory review with a view of suspension or termination;
- b) Members must ensure continuing compliance with all applicable laws, regulations and rules, including these Rules as from time to time in force;
- c) Fulfil the obligation under the Membership Agreement and where relevant, other agreement(s) to which SECDEX and the Member are party;
- d) Members must have adequate internal procedures and controls, including: adequate execution, voice recording, Order management and settlement arrangements in place;
- e) Members must ensure any persons, whether staff or Clients, who submit

Orders to SECDEX through the Member, are sufficiently trained and have adequate experience, knowledge and competency;

- f) Members shall, at all times, have one or more persons, who must be identified to SECDEX, who are competent to advise the Member on the application of these Rules;
- g) Members must be able to demonstrate to SECDEX that their systems are compatible with SECDEX;
- h) Members must ensure they have a valid Clearing Member at all times when trading on SECDEX with a binding clearing pledge;
- i) Members shall, at all times, comply and remain in compliance with the capital adequacy requirements imposed on it by SECDEX and shall provide evidence of such compliance to SECDEX;
- j) Members must at all times ensure that there is a proper segregation of Client and non Client assets.
- k) If, at any time, a Member does not comply with the Rules, SECDEX may suspend, restrict or terminate that Member's access to the Order book or the business conducted by the Member on the Orderbook;
- l) If, at any time, a Member, at SECDEX's sole discretion poses a credit risk to SECDEX, SECDEX may suspend, restrict or terminate that Member's access to the Order Book;
- m) If a Member's licence or authorisation is suspended or withdrawn by the Securities Authority or its regulatory authority, SECDEX may suspend that Member's access to the Order book or the business conducted by the Member on the Order book;
- n) If a Member suspended from SECDEX then this will be notified to the Securities Authority in seven days;
- o) SECDEX may suspend, terminate or otherwise revoke a Member for any reason including due to reputational risk of the Member to SECDEX; and

3.10 Compliance with Rules

- a) Members (including prospective Members) shall be bound by these Rules; and
- b) Members shall be bound by any direction or decision of SECDEX relating to activity on SECDEX.

3.11 Resignation, Suspension and Termination

a) Resignation

1. A Member may cease to be a Member of SECDEX by giving at least 30 days' notice of their wish to resign from Membership. (a 'resignation notice')

2. SECDEX may, in its absolute discretion, refuse to accept notice of resignation for a period time to ensure an orderly exit, if it considers it necessary for the protection of Clients, or otherwise in the interest of the market.
3. Upon a Member's notification of its resignation pursuant to rule 3.11.a.1, all amounts owed by such Member to the SECDEX shall become immediately due and payable. The Member shall forthwith return to SECDEX on request, any software, equipment and documentation which may have been made available by SECDEX.

b) Suspension and Termination

1. SECDEX shall suspend (in whole or in part, for a fixed term) a Member's trading privileges on, and may terminate the Membership in the event of;
 - A. A Member failing to perform, or delaying performing, any of such Member's obligation under the Membership Agreement, any other agreement to which both the SECDEX and the Member are party to which such failure would constitute a violation of the Member's obligations under the Rules; or
 - B. Where the Member is placed in liquidation, whether provisional or final, or under business rescue proceedings e.g. receivership or administration or any other judicial proceeding or court application for an insolvency proceeding is initiated, or the company files are solution to such effect or has an insolvency administrator appointed to it; or
 - C. Where the Member has committed a material breach of these Rules; or
 - D. Where a Member fails to enter into a clearing agreement with a Clearing Member within thirty days or such other period which SECDEX may determine after the termination for whatever reason of his clearing agreement with a Clearing Member; or
 - E. The revocation or expiration without renewal of the Member's authorisation, license or permission to engage in the relevant investment services in the Member failing to satisfy the Membership requirements under the Rule 3.3; or
 - F. The suspension or termination of a Member's capacity as a Clearing Member or terminations of its clearing agreement, as the case may be.
2. Any termination pursuant to Rule 3.11 (b) shall be decided by the SECDEX, taking into account the degree of seriousness or permanence of the event in question. The decision of suspension or

termination shall be notified in writing to the Member and have immediate effect.

3. A Member whose trading privileges are suspended or whose Membership is terminated may apply to SECDEX at any time to have the suspension or termination revoked. On making such an application the Member shall provide the SECDEX with any information SECDEX may require. SECDEX may reject such application or may reinstate the Member or restore trading privileges either unconditionally or subject to any conditions SECDEX may thin appropriate. Such Member may, by notice in writing within seven days of receiving notice of such decision, require SECDEX to give additional explanations for its decision within seven days of receiving such notice from the Member. A Member has the right to appeal to the Appeal Committee as outlined in the Protection and Grievances Mechanism for Members and Clients of Members as outlined in Appendix 2.
4. A Member whose trading privileges are in whole or in part suspended for any period;
 - A. Shall be prohibited from trading as a Member during the period of suspension, however the Member may be allowed for closing out their Proprietary and their Client open positions; but;
 - B. Shall remain liable in respect of all their obligation of Membership including the payment of any fees and charges payable.
5. Upon a Member's notification of its suspension or termination pursuant to Rule 3.11.b.2, all amounts owed by such Member to SECDEX shall become immediately due and payable. The Member shall forthwith return to SECDEX on request, any software, equipment and documentation which may have been made available by SECDEX.

c) Notification of Resignation, Suspension and Termination of Membership.

SECDEX shall promptly inform the Securities Authority and/or other competent authorities and as applicable, the CCP of the resignation, termination or suspension, as well as of the termination of such suspension, of the Membership. There will also be a market notice issues publically via email to Members in addition to being posted on the web site.

3.12 Categories of authorised users

- a) A Member is a category of authorised user of SECDEX and may be authorised by SECDEX to operate in one of two sub-categories, either as a Clearing Member or a Trading Member, or both.
- b) A Trading Member is authorised to Trade on SECDEX, and a Clearing Member is authorised to perform clearing of Trades executed on SECDEX.
- c) A Trading Member may only enter into a clearing agreement with one Clearing Member to perform clearing and settlement of the Trades of that Trading Member.
- d) A Trading Member –
 1. may be a Clearing Member;
 2. shall not be a natural person; and
 3. shall have and continuously maintain the administrative systems and expertise to ensure;
 - a. The adequate management of his own and his Clients' funds in accordance with these rules;
 - b. That an accurate record of his own and his Clients' positions is kept at all times; and
 - c. That his Clients' Trades, positions and cash balances under control of the Trading Member are reported to such Clients in a timely manner.

3.13 Capital adequacy requirements

Categories:

- a) A Member that Trades on SECDEX in authorised Eligible Products solely for its own account.
- b) A Member who receives Client's margin or holds Client margin or receives any other assets of his Client with respect to the Client's buying and selling of SECDEX authorised Eligible Products, shall have to maintain a minimum amount of capital that the SECDEX may decide.
- c) SECDEX shall be entitled to suspend a Member should there be a deficiency in the capital adequacy of the Member.
- d) The capital adequacy requirements are outlined in Appendix 5.

3.14 Inspections

- a) SECDEX reserves the right to visit Members on-site during the initial admission process or to visit on-site should they feel there is a need to review the Member's compliance with the Rules. Members must comply with any requests associated with an on-site visit made reasonably by SECDEX.
- b) SECDEX may conduct an inspection on a Member without prior notice where it has specific grounds to believe this is required with records kept of the inspections, the reason for them and the outcome, which in turn SECDEX reserves the right to share with Securities Authority and the Member in question;
- c) SECDEX may inspect the records, business premises and business operations;
- d) A Member shall ensure that its directors, officers or employees should;
 1. Render all assistance as SECDEX requires;
 2. Give SECDEX access to such information, books and records upon request;
 3. Should not give any false or misleading information, statement or report;
- e) SECDEX will liaise with the Member to ensure any remedial actions can be undertaken if any deficiencies are uncovered.
- f) All such visits, inspections and the outcomes will be periodically reported to the Securities Authority.

3.15 Fees and Charges

- a) SECDEX will determine the fees and charges to be levied by SECDEX on its Members.
- b) A Member shall pay to SECDEX all applicable subscriptions, charges, fees and any other costs due in accordance with these Rules as may be issued from time-to-time.

3.16 Taxes

- a) The Member shall be responsible for the payment of any applicable taxes as per the jurisdiction that arises from the trading different segments on SECDEX Order Book.
- b) It is the obligation of the Member to determine whether taxes arise from the trading of Derivatives on SECDEX Order Book, and to apply for any exemptions from such taxes.

4. CONDUCT OF BUSINESS BY MEMBERS

4.1 General Duties of integrity, fair dealing and care;

- a) When trading on the SECDEX, a Member shall:
 - 1. observe high standards of integrity, market conduct and fair dealing;
 - 2. act with due skill, care and diligence; and
 - 3. Refrain from any act or course of conduct which is likely to harm the reputation of SECDEX.
- b) A Member shall behave in a responsible manner when using a SECDEX Electronic Trading System and associated facilities provided by SECDEX and shall only use these facilities when there is a legitimate need to do so.
- c) A Member acting on behalf of Clients shall ensure that, each such Client has been informed of the risk characteristics of the Financial Instruments concerned.

4.2 Cooperation with SECDEX;

- a) In dealing with SECDEX, its directors, officers, employees, agents and representatives, Members shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.
- b) Member shall provide full and prompt responses to all requests for information by SECDEX in respect of business conducted on SECDEX or business related thereto and provides access to all relevant books, records, audio logs and other forms of documentation.

4.3 Notifications to SECDEX;

- a) All notifications under these Rules shall be made as soon as is reasonably practicable to SECDEX Membership Team. Where a notification is initially made verbally or via electronic mail there may be a requirement for the notice to be confirmed in writing, or by electronic mail.
- b) A Member will notify SECDEX in writing, or by electronic mail, at least 21 calendar days in advance or such other time frame as may be agreed by SECDEX of the proposed effective date of any significant changes to its structure. The types of changes which would be considered relevant would include:
 - 1. A change in control or of 5% of beneficial ownership or above;
 - 2. A change of name;

3. A change of address;
 4. A change of regulatory status;
 5. A change of corporate structure;
 6. A change in its constitutive documents;
 7. A change in SECDEX contacts (referring to the contacts provided by the Member to SECDEX and/or the Trading Profile Authorised Signatory List of Complete Member Application Pack);
 8. A change to the individuals listed on the trading profile Authorised Signatory List initially provided with the Membership Application Form; Change in the approved officers of the Member;
 9. If an administrator or receiver is appointed, or if a resolution is passed to wind up the business of the Member; or
 10. The commencement of enforcement or other proceedings whether before any court or tribunal by any regulator/ competent authority to the extent that such action or proceedings could impair, restrict or prevent its compliance with these Rules, save to the extent that such notification or disclosure is prohibited by law or any relevant regulator.
 11. Such notifications should be made to the Membership team at Membership.exchange@secdex.net.
- c) A Member shall forthwith notify SECDEX in writing of:
1. the commission by or the conviction of the Member or any of its officers for any offence under legislation relating to banking, or other financial services, companies, insolvency, insurance and pension or of any offence involving fraud or dishonesty;
 2. any person becoming or ceasing to be a director of a corporate Member;
 3. any change in the particulars relating to an officer, and of the event that any officer is found guilty of any improper conduct by any licensed exchange, a previous or current employer, a professional association or a court of law;
 4. The dismissal of an employee for committing or attempting to commit an act which is dishonest, fraudulent, dishonourable or disgraceful.

4.4 No Abusive or Misleading Conduct;

- a) A Member shall not collude with others in respect of its business on SECDEX to:

1. commit any act or engage in any course of conduct which creates, or is likely to, create a false or misleading impression of the market in, or the price, supply, or value of, any Contract;
 2. cause or enter into any artificial Transaction;
 3. submit an Order with a fictitious quantity or price onto the Order Books;
 4. commit any act or engage in any course of conduct which is likely to damage the fairness or integrity of SECDEX;
 5. commit any act or engage in any course of conduct which causes, or contributes to, a breach of the Rules of SECDEX by another Member; or
 6. Effect a pre-arranged Transaction that is designed to give the market a false view of supply, demand or pricing of a Contract or index.
- b) A Member shall not commit any act or engage in any course of conduct the sole or main intention of which is to move the price of that Contract or the level of any index of which that Contract is a component.

4.5 Transaction Records;

Members must retain a record of each Transaction entered into by it on SECDEX for at least seven years. Records must be stored in an unalterable format. Any such record must be capable of being produced for inspection by SECDEX, the Securities Authority and other competent authorities in the Seychelles on demand and in legible form.

4.6 Transaction Reporting;

- a) SECDEX does not perform Transaction reporting. It is the responsibility of its Members to comply with any applicable Transaction reporting obligations that apply to them as per their respective jurisdiction
- b) Members are not required to submit Transaction Reports to SECDEX.

4.7 Trade Reporting

SECDEX will publish details of all Trades transacted on SECDEX in accordance with the applicable laws and Securities Authority regulations.

4.8 Market Integrity

A Member or a relevant employee of a Member who, becomes aware that it or any of a Member's officers or employees, have engaged in any activity which contravenes, or may contravene, market integrity by leading to market

abuse or insider trading shall report the matter to SECDEX without delay.

5. TRADING RULE FOR SECURITIES

5.1 Scope

This Chapter sets forth rules governing trading on SECDEX.

5.2 Trading Calendar and Hours of Operation

SECDEX shall, at its discretion, determine the hours of operation and the trading calendar of the ETS in effect from time to time and notify the Members according to the terms published on SECDEX Website.

5.3 Trading Symbols

The SECDEX Market Undertakings shall define trading symbols for the purpose of identifying Securities in SECDEX's trading systems. It may in its sole discretion modify or reassign such trading symbols at any time. The Issuers of the relevant Securities shall have no proprietary rights to such trading symbols.

5.4 Trading of Securities

Dealings in securities shall be permitted on SECDEX are in accordance with the provisions of the Rules, By-laws and Regulations of SECDEX for such categories of Members, Trade types, and for such trading hours as SECDEX may specify from time to time.

5.5 General Requirements for the Admission to Trading of Securities

- a) Upon admission to trading and for as long as the Securities are admitted;
 1. the prospectus and structure of the Issuer must be in accordance with Securities Act 2007; and
 2. the Issuer must comply with the requirements of Securities Authority;
 3. the Issuer shall take all necessary measures to have its ISIN code
- b) The Issuer shall ensure that the form and content of prospectus shall be according to SCHEDULE of Securities (Prospectus) Regulations 2008
- c) Securities must be validly issued in accordance with applicable, Securities Act 2007 and regulations governing those Securities, the Issuer's articles of association and other constitutional documents.

- d) The Issuer shall ensure that Securities are capable of being traded in a fair, orderly and efficient manner and, in the case of transferable securities, are freely negotiable.
- e) SECDEX may create specific segments based on criteria it defines and allocate Securities to those distinct segments

5.6 Application for Admission to trading

Applications for admission of securities to the Official List of SECDEX shall be made to SECDEX in such form as prescribed in Listing Rules.

5.7 Conditions and Requirements of trading

The Securities Authority may not grant admission to trading of the Securities of an Issuer unless it complies with the conditions and requirements prescribed in these Rules and such other conditions, by-laws, regulations and requirements as the relevant authority may from time to time prescribe.

5.8 Refusal of Admission to Listing

The SECDEX Listing Committee may, in its discretion, approve subject to such terms as it deems proper, or defer, or reject any application for admission of Securities to list on SECDEX. These terms are outlined in the Listing Rules.

5.9 Use of the SECDEX Electronic Trading System

- a) All Transactions for the sale and purchase of Securities by a Member must be conducted through the Order book of the SECDEX ETS, unless the Transaction meets the criteria pursuant to Rule 5.19 for an off book (“off market”)Trade.
- b) The terms of an off-book Trade may be negotiated between the parties to the Transaction and the purchase and sale legs of the Transaction must then be submitted to the trading system by the Member or Members who are party to the Transaction
- c) An off-book Trade negotiated off the trading system in terms of rule 6.10.2 is only deemed to be a valid Transaction once the purchase and the sale legs of the Transaction have been matched and confirmed by the trading system.
- d) Orders entered into the Order Book are matched based on the following Order of priority:
 - a. price;
 - b. whether the Order is visible to the market; and
 - c. time of entry into the Order book.

5.10 Order Size

All Order sizes can be traded, subject to particular specifications in respect of certain types of Securities as set forth in one or more Trading Notices.

5.11 Modification and cancellation

Any Order entered into the Order Book may be modified or cancelled prior to its execution. Any increase in the Order quantity or change in the limit price shall cause the forfeiture of time priority.

5.12 Certain events

Unexecuted Orders in respect of a particular Security shall be cancelled in the Order Book upon the occurrence or the announcement of certain events concerning the relevant Issuer which are likely to substantially affect the price of such Security, as set forth in one or more Trading Notices. SECDEX Members must agree with their Clients whether events of the kind referred to in the preceding sentence require express renewal of Orders or whether SECDEX Members are entitled to re-enter Orders after having performed the necessary price or quantity adjustments, where appropriate.

5.13 Order Types

a) Market Orders

An Order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the Order reaches the Displayed Order Book.

b) Limit Orders

Limit Orders are bid or ask Orders that can only be executed at their specified price limit or at a better price. The price limit must be consistent with the tick specified by Trading Notice.

c) Fill or Kill

An Order submitted to the SECDEX platform with a specified size and, optionally, a specified limit rate that is matched in full against eligible Orders or is rejected in its entirety

d) Immediate or Cancel (IOC) Order

An Order to buy or sell with a specified size and, optionally, a specified limit price, which matches either in full or in part, the remainder of which will be rejected/cancelled by the system automatically.

5.14 Order Parameters

a) Validity

1. Orders entered into the Order Book will be valid for the Trading Day.
2. For a specified trading session as of its entry, an Order may be valid until a specified time, or for a specified length of time or for the next opening auction or closing auction.

5.15 Trading Cycles in the Order Book

a) Overview

Securities shall be traded either through continuous matching of Orders at opposite sides of the Order Book or through call auction procedures following a period in which Orders have been accumulated without execution.

b) Continuous Trading

1. Pre-opening phase

An opening auction shall be held at the beginning of each Trading Day prior to the commencement of continuous trading, in the manner specified in the Exchange Guide in Appendices 3 and 4.

2. Main trading session

Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming Order being checked immediately for possible execution against Orders on the opposite side of the Order Book and any remaining unexecuted portion of such Order being added to the Displayed Order Book.

3. Closing phase

The final price shall be determined through a closing auction in the manner specified in the Exchange Guide in Appendices 3 and 4.

c) Continuous Trading with Intra-Day Auctions

Continuous Trading with Intra-Day Auctions shall begin with an opening auction.

5.16 Auctions

a) Call phase

Each auction shall begin with a call phase in which Orders are automatically recorded without giving rise to Transactions. During such call phase, SECDEX Trading Members will not be allowed to amend/cancel existing Orders. An indicative price, representing the price which the system matcher would determine on the basis of the given Order Book situation, shall be displayed and updated continuously as the Order Book situation evolves. Details of market Orders will not be published.

b) Price determination phase

1. The auction price shall be determined on the basis of the situation of the Order Book at the closing of the call phase and shall be the price which produces the highest executable Order volume. Market Orders shall have precedence over limit Orders.
2. Limit Orders with better price will then take priority over other limit Orders.
3. Following completion of the call phase, the system shall seek to determine a unique price where there is the greatest executable volume by matching buyers and sellers at the unique price level.
4. In the instance as no unique price is obtained the system will calculate which potential uncrossing price from the unique price will leave the smallest surplus. If there is no surplus at any of the price identified as unique price then the uncrossing will be the mid-price of the price range identified as unique price.
5. If the calculated values are all positive then the highest bid price will be taken as the uncrossing price. If all values are negative then the lowest price in the range will be used as the uncrossing price.
6. In case of no unique uncrossing price is generated, then the price shall be determined by reference to the price of the previous day's closing price or, if such price is not available, another reference price determined in accordance with one or more Trading Notices on the subject, until a single auction price is achieved.
7. During such price determination phase, no new Orders may be entered and existing Orders may not be modified or cancelled.

5.17 Off-book Trading

1. This Rule defines those Transactions that can be deemed to have been effected on SECDEX regulated markets without having been processed in the OrderBook system. Off-book Trades do not result in an exchange price.

2. The Management Board determines the securities eligible for off-book trading and the permissible minimum tick size for which a Transaction may be concluded.
3. Only Transactions in securities exceeding a certain volume may be concluded using off-book trading. The Management Board shall determine the minimum volume for the respective off-book Trades.

5.18 Confirmation and Reporting

a) Confirmation

SECDEX system shall send an acknowledgement message for the Orders entered into the Order Book and give them a sequential number per Security, which shall be disclosed to the relevant Trading Member.

SECDEX system shall send a confirmation of execution to the relevant counterparties upon full or partial execution of any Order, which confirmation shall state the unfilled Order quantity, if any.

b) Reporting Of Transactions

This rule governs only Transactions (i.e. Trades made under the Rules of SECDEX) and is without prejudice to the Transaction reporting obligations set forth by Security Authority.

a) Order book Transactions

Transactions carried out in the Order Book are automatically and immediately deemed to have been effected on, and reported to, the Security Authority.

b) Off Order book Transactions

1. SECDEX Member who has effected a Transaction an off-market Transaction shall immediately report such Transaction to the Securities Authority.
2. Member is responsible for all obligations and liabilities arising from the reporting of all proposed Transactions submitted to SECDEX by the particular Member.
3. Members shall report the terms of proposed Transactions to SECDEX within fifteen minutes of such terms being agreed between the transacting parties.
4. Where the Member agrees a Transaction as agent for two End Users or as principal and as agent for one End User, the Member must report the Trade

to SECDEX.

5. Where the Transaction is agreed between two Members, either acting as principal or both acting as agent for different End Users, the Member must report the Trade to SECDEX.
6. Transactions agreed outside SECDEX's hours of operations must be reported before the 45 Minutes prior to the start of next trading day.
7. SECDEX shall be entitled to reject any such proposed Transactions in its absolute discretion and will provide a notice to the Securities Authority concerning the reasons for rejection.

5.19 Clearing and Settlement

Transactions executed on SECDEX shall be cleared in accordance with the rules and procedures set forth in the Clearing Rulebook of the SCL, and settlement shall be arranged through the SCL.

5.20 Contract Note

- a) Every Member shall issue a Contract Note to their Clients, not later than the end of next trading day following the Transaction in compliance with the Seychelles Securities Act 2007, Part 6: Conduct of Securities Business, section 66: Issue of Contract Notes.
- b) The Contract Note shall state whether it is in respect of a purchase, sale or exchange of securities and shall include:
 - (a) the name of the licensee and the address of the principal place at which it carries on business;
 - (b) where the licensee is acting as principal, a statement that it is so acting;
 - (c) the name and address of the person, if any to whom the licensee is required to give the Contract Note and, where different, the name of the person for whom the transaction was undertaken;
 - (d) the date of the contract, and the date on which the Contract Note is made out;
 - (e) the quantity and description of the securities that are the subject of the contract;
 - (f) the price per unit of the securities;

- (g) the amount of consideration under the contract or, in the case of an exchange, sufficient particulars of the securities exchanged to identify them;
 - (h) the rate or amount of commission or other fee payable in respect of the contract;
 - (i) the amount of tax or duty (if any), payable in connection with the contract and, where applicable, in respect of the transfer;
 - (j) the date of settlement;
 - (k) such other information as may be prescribed to ensure that there is a complete audit trail for the execution of client instructions and the settlement of market transactions.
- c) If requested by SECDEX, Member must produce the Contract Notes in substantially the same form and containing the same trading information as were given to the customers.

5.21 Brokerage Fees

- a) All the Orders entered on the Trading System shall be at prices exclusive of brokerage fee.
- b) The Members shall charge brokerage but the same shall not exceed such scale as the SECDEX / Securities Authority may specify from time to time.
- c) The brokerage charged by a Member shall be indicated separately from the price, in the Contract Note.

5.22 Interest, Dividend, Rights/Bonus and Calls

The buyer shall be entitled to receive all coupons, dividends, bonus, rights and other privileges which may appertain to securities cum coupon, cum dividend, cum bonus, cum rights, etc. and the seller shall be entitled to receive all coupons, dividends, bonus issues, rights and other privileges which may appertain to securities sold ex coupon, ex dividend, ex-bonus, ex rights, etc.

6. TRADING RULES FOR DERIVATIVES

6.1 Scope

This Chapter sets forth rules governing trading on the SECDEX Derivatives Markets.

6.2 Trading Calendar and Hours of Operation

SECDEX shall, at its discretion, determine the hours of operation and the trading calendar of the ETS in effect from time to time and notify the Members according to the terms published on SECDEX website

6.3 Trading Symbols

SECDEX shall define trading symbols for the purpose of identifying Contracts in SECDEX's trading systems including the ETS. It may in its sole discretion modify or reassign such trading symbols at any time. The Issuers of the relevant Securities shall have no proprietary rights to such trading symbols.

6.4 Admission to Trading and Contract Specifications

- a) All Contracts will be reviewed by SECDEX prior to the launch. This includes, inter alia, that they will allow SECDEX to continue to satisfy its obligation to maintain a fair, efficient and orderly market.
- b) A full list of approved Contracts will be accessible through SECDEX website.
- c) The Contract Specifications will be published by SECDEX on SECDEX website. The Contract Specifications may be amended from time to time by SECDEX in connection with regulatory, legislative or other reasons. However, Contract Specifications will not be amended in respect of open positions, except in exceptional circumstances and/or in the interests of maintaining a fair and orderly market.
- d) Orders entered or proposed Transactions submitted that do not conform to the Contract Specifications detailed in SECDEX Guide will be rejected by SECDEX.
- e) On listing a new Series for a Contract, SECDEX will designate an identifier for that Series. Identifiers will be published by SECDEX on SECDEX website.
- f) Members should agree and undertake to ensure that End Users agree and acknowledge that no Transaction may be entered into otherwise than in respect of the Reference Factor and on Contract Terms.
- g) SECDEX reserves the right to adjust the first and last trading day for any existing Contract where such adjustment is deemed necessary in the interest of the market.

6.5 Access to SECDEX Electronic Trading System

- a) A Member is responsible for all obligations and liabilities arising from the entry, deletion and execution of all Orders submitted to the Order Books by the Member.
- b) SECDEX reserves the right to restrict a Member's receipt of information or access to and use of the Order Books.
- c) Any obligations and liabilities arising from the submission of electronic messages and Orders to the trading system under the Member trading codes, are the responsibility of that Member. The Member, at all times, have sufficient Order management systems, procedures and controls designed to prevent the entry of erroneous Orders and quotes to the trading system.
- d) SECDEX reserves the right to delete any Order submitted to the Order Books using SECDEX Administration screen. Wherever SECDEX believes it necessary in Order to preserve market Orderliness or for any reason that SECDEX decides is reasonable for them to take this action. SECDEX will keep a log for 7 years with details of the Order and the reasons for the deletion to address any requests from the Securities Authority.

6.6 Submission to CCP

Upon execution of the Transaction on the ETS, it shall upon novation to the CCP immediately become liable for the purposes of relevant Rules of the CCP. Members acknowledge, and shall ensure that End Users accept that a proposed Transaction is concluded with the CCP immediately after the matching of trading details.

6.7 Contract Formation

Only upon acceptance of a proposed Transaction by the CCP Members shall acknowledge, and ensure that End Users accept, that a proposed Transaction shall have no effect until acceptance by the CCP.

6.8 Reference Factors

a) Reference Factors Eligible for Trading on SECDEX

1. SECDEX may at its reasonable discretion utilise any Reference Factor as an eligible benchmark for the trading Contracts on the ETS or remove any Reference Factor previously so utilised.
2. A list of Reference Factors in respect of which Transactions may be entered into on or reported to SECDEX, together with the relevant Contract Terms, shall be posted by SECDEX website.

b) Removal and Suspension of Reference Factors Eligible for Trading

Without prejudice to the foregoing, SECDEX may at its discretion suspend the receipt of Orders to the Order Book and receipt of Contracts in reported Trades in respect of a Reference Factor at any time by Trading Notice to Members if it:

1. Considers that to do so is required by applicable laws or is required to maintain the proper functioning, integrity or Orderliness of the ETS;
2. Is requested to do so by a Governmental Authority/ the Securities Authority; or
3. Considers in its discretion that there is, has been or may be a violation of Rules in relation to such Reference Factor.

6.9 Order Types

a) Market Orders

An Order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the Order reaches the Order Book.

b) Limit Orders

Limit Orders are bid or ask Orders that can only be executed at their specified price limit or at a better price. The price limit must be consistent with the tick specified by Trading Notice.

c) Fill or Kill

An Order submitted to the SECDEX platform with a specified size and, optionally, a specified limit rate that is matched in full against eligible Orders or is rejected in its entirety

d) Immediate or Cancel (IOC) Order

An Order to buy or sell with a specified size and, optionally, a specified limit price, which matches either in full or in part, the remainder of which will be rejected/cancelled by the system automatically.

6.10 Trading Cycles in the Order Book

a) Overview

Derivatives shall be traded either through continuous matching of Orders at opposite sides of the Order Book or through call auction procedures following a period in which Orders have been accumulated without execution.

b) Continuous Trading

1. Pre-opening phase

An opening auction shall be held at the beginning of each Trading Day prior to the commencement of continuous trading, in the manner specified in the Exchange Guide.

2. Main trading session

Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming Order being checked immediately for possible execution against Orders on the opposite side of the Order Book and any remaining unexecuted portion of such Order being added to the Displayed Order Book.

3. Closing phase

The final price shall be determined through a closing auction in the manner specified in one or more Trading Notices.

6.11 Order Execution

- a) All Orders entered on to the Order Books are firm and available for execution (in full) and, when executed, will be binding on SECDEX Member placing the Order (unless otherwise provided in these Rules) even if the Order was placed on behalf of a third party.
- b) All Orders must be entered for the purpose of executing bona fide Transactions.
- c) All Orders, whether executed on the OrderBook or otherwise, shall be accordance with trading Rules and procedures of SECDEX.

6.12 Order Routing

- a) A Member may provide an automatic Order routing facility which enables a third party to route Orders through it directly to the Order Books.
- b) A Member that submits or routes Orders to the Order Books shall, at all times, have sufficient Order management systems, procedures and controls designed to prevent the entry of erroneous Orders to the Order Books.

6.13 Entry and Deletion of Orders

- c) A Member may only submit, amend, or delete Orders from the Order Books during the times specified by SECDEX in the SECDEX Exchange Guide (APPENDIX 3 and APPENDIX 4).
- d) Member has primary responsibility for deleting their own Orders and

restricting the submission of their Orders. Where this is not possible, SECDEX will aim to provide a back-up service to delete Orders and/or to restrict the Member firm's access to submit Orders.

- e) A Member shall not submit Orders or amend Orders on the Order Books in a Contract which is subject to suspension by SECDEX. Orders in such a Contract may be deleted from the Order Books.

6.14 Suspension of Automated Execution

SECDEX may suspend the automatic execution of Orders on one or both of the Order Books in one or more Contracts if:

- a) SECDEX determines a system problem has occurred or is likely to occur;
- b) the Contract is the subject of a regulatory suspension; or
- c) SECDEX, in its absolute discretion, considers it appropriate to do so and will notify the Securities Authority of the reason for doing so.

6.15 Suspension and Trade / Order Cancellation

a) Suspension of a trading

1. SECDEX may suspend or limit the availability for trading Derivatives Contracts or limit the availability for trading of Derivatives Contracts or take any other measures it deems necessary in the interests of maintaining an orderly or proper market.
2. Such suspension or limitation and any resumption of availability for trading or the imposition or revocation of any such other measures, shall be published by SECDEX.
3. SECDEX may in determine to suspend an option series. Option series can be suspended if corresponding call and put series both have no open interest, except
 - A. In the case of a just in-the-money, or just out-of-the money series or
 - B. if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for suspension; or
 - C. If there is another series with the same exercise price but with a later expiry date that does not satisfy the criterion for suspension.

b) Trade / Order Cancellation

1. A SECDEX Member may send a request to SECDEX for a Trade or Order to be cancelled.
2. Such requests shall be undertaken as per the circumstances set out in Erroneous Trades Policy (APPENDIX 1) and Market Supervision Manual.

6.16 Delisting Of Derivatives

- a) SECDEX may determine to delist a Derivative or remove a class and may consult Members prior to such determination. A Derivative may be delisted or a class removed for a variety of reasons including the following:
 1. The removal of the underlying index;
 2. A lack of liquidity;
- b) Such delisting and subsequent re-listing shall be published by SECDEX by the method deemed most effective in the circumstances and confirmed, where appropriate, by Trading Notice.
- c) SECDEX may determine to delist an option series and may consult Members prior to such determination. Options series can be delisted if corresponding call and put series both have no open interest, except:
 1. In the case of a just-in-the-money, or just out-of-the money series or
 2. if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for deletion; or
 3. if there is another series with the same exercise price but with a later expiry date that does not satisfy the criterion for deletion.

6.17 Off Order Book Transactions

- a) A Member may bring an off-Order Book Transaction under the Rules subject to them complying with the following:
 1. The Contract is available for trading on SECDEX and cleared by the CCP. The Transaction is negotiated privately and, by agreement, is executed within the ETS, and is subject to the Rules.
 2. The negotiated Transactions are flagged as such:
 - a. It confirms to the minimum block size Rules as defined in SECDEX Exchange Guide (APPENDIX 3 and APPENDIX 4).
 - b. The Contract price should be within the current spread and expiration of the particular Contracts on SECDEX Order Books. If there is no spread, the price must be within 10% of the current Contract last traded price.
- b) The Member should undertake one of the following tasks for off-

OrderBook Transactions:

1. Dealing on its own account with another Member who acts for the account of his Client; or
2. Dealing with another Member where both are executing Orders on their own account; or
3. Acting for the account of both the buyer and the seller; or
4. Acting for the account of the buyer, where another Member or participant acts for the account of the seller; or
5. Trading for its own account against the Client Order.

6.18 Reporting Of Transactions

This rule governs only Transactions (i.e. Trades made under the Rules of SECDEX and is without prejudice to the Transaction reporting obligations set forth by Securities Authority.

a) Order book Transactions

Transactions carried out in the Order Book are automatically and immediately deemed to have been effected on, and reported to, the Security Authority.

b) Off OrderBook Transactions

1. A SECDEX Member who has effected an off-market Transaction shall immediately report such a Transaction to the Securities Authority.
2. The Member is responsible for all obligations and liabilities arising from the reporting of all proposed off-market Transactions submitted to SECDEX by it.
3. Members shall report the terms of proposed Transactions to SECDEX within fifteen minutes of such terms being agreed between the transacting parties.
4. Where the Member agrees a Transaction as agent for two End Users or as principal and as agent for one End User, the Member must report the Trade to SECDEX.
5. Where the Transaction is agreed between two Members, either acting as principal or both acting as agent for different End Users, the Member must report the Trade to SECDEX.
6. Transactions agreed outside SECDEX's hours of operations must be reported before the 45 Minutes prior to the start of next trading day.
7. SECDEX shall be entitled to reject any such proposed Transactions in its absolute discretion.

6.19 Clearing and Settlement

a) Arrangements

1. Each Trading Member must have clearing and settlement arrangements in place in respect of the Contracts in which they intend to participate prior to accessing the service.
2. The CCP regulations provide for the clearing and settlement of the obligations in respect of CCP accepted Contracts to be performed by the Member directly if it is a Clearing Member of the CCP or by the General Clearing Member acting on behalf of the Member.

b) Obligation to Settle

1. A Member must, in respect of Transactions executed on SECDEX, settle all obligations in accordance with the Rules of the relevant clearing and settlement system pursuant to any procedures established by the CCP.
2. Where the Member is acting as agent for another party, and failure to deliver cash is the fault of the third party, the Member will be bound as principal with the counterparties to the Transaction.
3. The Contracts shall be settled according to the Rules applied by the CCP.

6.20 Contract Note

- a) Every Member shall issue a Contract Note to their Clients, not later than the end of next trading day following the Transaction.
- b) The Contract Note shall disclose;
 1. The name and address of the Members and the Client, to whom the Members is required to give the Contract Note;
 2. The date and time of the Transaction and the date on which the Contract Note is made out;
 3. The identification number of the Transaction;
 4. Show separately, where applicable:
 - A. Brokerage charged by the Member;
 - B. Any other fee in additions to Commission charged by the Member;
 - C. The amount of tax or duty (if any); and

- D. Any other fee charged by any other party and borne by the Client in addition to the commission charged.
 - 5. The price at which Transaction was executed and the total consideration due from or to a Client;
 - 6. Whether the Member acted as an agent or as a principal in the Transaction.
 - 7. The date of settlement.
- c) If requested by SECDEX, Member must produce the Contract Notes in substantially the same form and containing the same trading information as were given to the customers.

6.21 Brokerage

- a) All the Orders entered on the Trading System shall be at prices exclusive of brokerage.
- b) The Members shall charge brokerage but the same shall not exceed such scale as SECDEX / Securities Authority may specify from time to time.
- c) The brokerage charged by a Member shall be indicated separately from the price, in the Contract Note.

7. SUPERVISION AND MARKET MONITORING

7.1 Surveillance by the SECDEX Market Supervision Team as outlined in the SECDEX market supervision manual in detail with a high level description below:

a) Surveillance

The SECDEX Market Supervision Team may set up and maintain systems for;

1. Supervision of all Orders and Trades and the general activity of Members with a view to ensuring that trading at SECDEX is conducted properly.
2. Monitoring compliance by Members with the Securities Act 2007, the Rules and the directives;
3. The surveillance of any matter relevant for the purpose of the Securities Act, the Rules and the directives;

b) Investigation

The SECDEX Market Supervision Team, may;

1. Investigate any SECDEX related activities of any person who at the relevant time was a Member or an employee of a Member;
2. Investigate whether that Member or any of its employees complies with the Act, the Rules and the directives;
3. Investigate whether the Member is trading in such a manner that there is a danger that such Member may not be able to meet its commitments to Clients, other Members or a settlement system; and
4. Investigate whether such Member is conducting its business in a manner which could be detrimental to the interest, good name or welfare of the SECDEX or its Members.

7.2 Market Monitoring

- a) SECDEX reserves the right to impose controls such as price bands and volatility circuit to deal with market conditions, which requires SECDEX intervention.
- b) SECDEX may request or require information from a Member, or interview any employee of a Member, about any matter which it considers may relate to these Rules or to the integrity of SECDEX's markets, or which the SECDEX may require for the purpose of compliance with applicable

- laws or regulation.
- c) SECDEX requires the Member to notify SECDEX immediately when it becomes aware of a significant contravention by itself, or any other Member, of these Rules.

8. SANCTIONS

8.1 Sanctions Imposed

- a) In the interests of maintaining a fair and orderly market, SECDEX will have absolute discretion in using any/all of the following sanctions for breach of SECDEX Rules:
 - 1. written warning which may be private or public;
 - 2. Censure, admonition or advice;
 - 3. Suspension of the right to use any system(s) of SECDEX;
 - 4. Suspension from dealing in securities or any class of securities, dealt on SECDEX;
 - 5. publication of details of the offender and Rule infringement;
 - 6. Termination of Admission.
 - 7. Imposition of penalties
- b) Any monetary sanction shall be paid within fifteen Business days of receipt of the written decision of SECDEX or within such period as may be specified by SECDEX.
- c) If a Member is sanctioned from SECDEX then additionally this will be notified to the Securities Authority either immediately or within seven days depending on the severity of the matter.

8.2 Appeals

- a) A Member Firm may appeal to the SECDEX in writing against any decision on the sanctions to the Appeal Committee as outlined in Appendix 2.

9. DEFAULT

SECDEX is not responsible for and shall not be liable for the default of any Member on any Trade. Trades undertaken in the Order Books are not subject to any compensation scheme.

10. MARKET MAKERS /LIQUIDITY PROVIDERS

- a) For the purpose of enhancing market depth and liquidity, SECDEX may, at its absolute discretion, introduce a Market Maker Scheme and designate one or more Members as a Liquidity Provider in respect of specific Securities.
- b) The rights and commitments in respect of a liquidity provider will be specified in the Market Making Agreement, Market Maker Scheme, and the Rules.
- c) A Member which wishes to act as a liquidity provider in one or more securities shall satisfy SECDEX that it has the necessary regulatory authorisation and technical capability to act in such capacity.
- d) A Member which satisfies SECDEX in these respects shall enter into a Market Making Agreement with SECDEX and shall specify the Securities in which it intends to act as a Liquidity Provider.
- e) In the event the Liquidity Provider fails to perform in compliance with the Market Maker Scheme and/or is in breach of the Market Making Agreement and/or the Rules, SECDEX shall, at its absolute discretion, have the right to take measures as deemed necessary and appropriate. Such measures may include:
 - 1. Suspension of the Market Maker temporarily from acting in the capacity of a liquidity provider on SECDEX;
 - 2. Application of regular SECDEX fees instead of the Market Maker fees;
 - 3. Imposition of a penalty;
 - 4. Termination of the designation of the capacity and the respective Market Making Agreement with immediate effect.
- f) SECDEX shall publish and regularly update the list of Market Makers and relevant information relating to their activities.

11. SPONSORED ACCESS

11.1 Connection

- a) A Sponsored Client may obtain Sponsored Access to SECDEX only if such access is authorised in advance by one or more Sponsoring Members completing a Sponsored Access Order Form identifying that Sponsored Client.
- b) SECDEX maintains the right to refuse connection of a Sponsored Client in the event that SECDEX is not satisfied in any respect that the Sponsored Client should be connected to SECDEX. Reasons may include, but are not limited to:
 1. SECDEX is not satisfied that sufficient due diligence has been undertaken by the Sponsoring Member on the Sponsored Client;
 2. SECDEX is not satisfied with the controls in place to prevent disorderly trading or market abuse; or
 3. SECDEX is aware of any adverse information relating to the Sponsored Client.
- c) Validation criteria per Sponsored Client per day will be provided to SECDEX by the Sponsoring Member with appropriate validation controls set by SECDEX by the time agreed in advance with SECDEX.
- d) Authorisation will continue unless otherwise terminated by the Sponsoring Member or by SECDEX upon 30 days written notice by either party.
- e) SECDEX may suspend or terminate access immediately by disconnecting the appropriate trading sessions if
 1. it determines that the Sponsoring Member or Sponsored Client have breached these Rules, or SECDEX has a reasonable suspicion they may breach any material Rules that lead to disorderly trading or trading that may constitute market abuse;
 2. SECDEX has a reasonable suspicion they may breach the terms of the Sponsored Access Subscription Form;
 3. the Sponsoring Member or Sponsored Client are engaged in activities that SECDEX reasonably determines to be detrimental to the business of SECDEX;
 4. for regulatory reasons;
 5. System maintenance, stability or development,
- f) A real time drop copy feed of all messages will be provided by SECDEX to the Sponsoring Member relating to all activity by Sponsored Client, for the purpose of internal monitoring, control and real time transparency of the Sponsored Client's activity by the Sponsoring Member.

11.2 Sponsoring Members' Obligations

- a) The Sponsoring Member is responsible for full compliance oversight of the Sponsored Client including, but not limited to, Client checks, anti-money laundering controls and monitoring for market abuse.
- b) The Sponsoring Member remains responsible for meeting its own regulatory requirements in respect of the Sponsored Client's activities, including through pre-trade controls on Orders and post-trade measures to monitor trading activity, in particular with regard to all forms of market abuse including market manipulation.
- c) The Sponsoring Member must ensure that the contractual agreements in place between itself and the Sponsored Client includes provision for the Sponsoring Member to be able to unilaterally require that the Sponsored Client stop sending Orders immediately.
- d) The Sponsoring Member acknowledges and agrees that all Orders entered by the Sponsored Clients and any person acting on behalf of or in the name of such Sponsored Client and any executions occurring as a result of such Orders are binding in all respects on the Sponsoring Member. The Sponsoring Member is responsible for any and all actions taken by the Sponsored Client.
- e) If a Sponsoring Member loses the ability to monitor the trading activity of its Sponsored Clients for any reason, the Sponsored Member must inform SECDEX immediately. SECDEX will terminate access by disconnecting the appropriate Sponsored Client trading sessions.
- f) The Sponsoring Member must integrate and conform to SECDEX's drop copy messages feed.
- g) The Sponsoring Member must provide parameters for all mandatory and optional controls on a daily basis by the time agreed with SECDEX and in accordance with Sponsored Access Service Guide and File Specifications for Sponsored Access document.
- h) The Sponsoring Member must complete the Sponsored Access Order Form per Sponsored Client, and immediately update SECDEX in the event that the information detailed on this form changes.
- i) Sponsoring Member shall ensure that the Sponsored Client complies with these Rules as if the Sponsored Client were a Member.
- j) Sponsoring Member shall ensure that the Sponsored Client takes reasonable precautions to prevent unauthorised use or access to SECDEX, including unauthorised entry of information into SECDEX system, or the information and data made available therein.
- k) The Sponsoring Member must describe to SECDEX the due diligence measures in place for taking on a Sponsored Client and the controls and monitoring of the trading activity envisioned by the Sponsoring

Member in Order to prevent disorderly trading or market abuse by the Sponsored Client. In the event that these procedures change the Sponsoring Member is obliged to inform SECDEX. SECDEX also retains the right to request details of these controls at any time.

11.3 General

- a) The trading charges incurred by Sponsored Clients will be charged to the Sponsoring Member.
- b) The Sponsoring Member will be liable for all charges incurred by providing Sponsored Access to the Sponsored Client.
- c) SECDEX maintains the authority to audit such provisions as and when required.

11.4 Vendors

- a) Sponsoring Member must inform SECDEX if a Vendor is used, to connect a Sponsored Client to SECDEX
- b) The Sponsoring Member must ensure that the use of a Vendor does not restrict its ability to comply with SECDEX Rules

12. COMPLAINTS

12.1 Member complaints against SECDEX

- a) If a Member wishes to lodge a complaint against SECDEX in of any SECDEX functions the Member should lodge the complaint in writing with the SECDEX Appeal Committee. All investigations into a Member's conduct or following a Member's complaint are run by SECDEX Group's Appeal Committee, which is composed of the following individuals: SECDEX's Chairman and two independent non-executive Directors.
- b) The complaint letter should include;
 1. The exact time and date of the incident which caused the complaint
 2. The person involved and
 3. The outcome sought by the complainant.
- c) The time limit for addressing a complaint to SECDEX is one calendar month after the event that is the subject to complaint.
- d) The SECDEX Appeal Committee will address a Member complaint by commencing an investigation into the complaint and notifying the Member of the steps taken to review the complaint as well as the expected time table to complete the investigation.
- e) The SECDEX Appeal Committee will normally respond to the Member within 15 business days on receiving the complaint, specifying how it plans to address it and how long it will take to reach a conclusion on the matter.
- f) Once the SECDEX Appeal Committee has carried out an investigation, it shall send to the Member a letter describing its conclusion and the action proposed.

12.2 Client complaints

- a) , A Client complaint is defined as any complaint in relation to the provision of regulated services, in which the Client alleges that he/she has suffered, or is likely to suffer, financial prejudice as a result of the Member;

1. Contravening or failing to comply with any instruction given by the Client, or any agreement or mandate entered into with the Client;
 2. Contravening or failing to comply with the Rules and the directives;
 3. Acting dishonestly, negligently or recklessly; or
 4. Treating the Client unreasonably or unfairly
- b) Every Member must establish and maintain appropriate procedures for the handling of Client complaints.

12.3 Internal complaint handling procedures

- a) A Member's internal complaint handling procedures must provide for;
1. The receipt of oral or written complaints;
 2. The appropriate investigation of complaints;
 3. An appropriate decision-making process in relation to the response to a Client complaint;
 4. Notification of the decision to the Client; and
 5. The recording of complaints
- b) A Member's internal complaint handling procedures must be designed to ensure that;
1. All complaints are handled fairly, effectively and promptly;
 2. Recurring or systemic problems are identified, investigated and remedied;
 3. Complaints are investigated by an employee of sufficient competence who, where appropriate, was not directly involved in the matter which is the subject of a complaint;
 4. The employee responsible for the resolution of complaints has the necessary authority to resolve complaints or has ready access to an employee who has the necessary authority; and
 5. Relevant employees are aware of the Member's internal complaint handling procedures and comply with them.

12.4 Timely response to complaints

A Member must respond to a Client complaint within 2 weeks of receiving the complaint or within such period, provide the complainant with an appropriate explanation as to why the Member is not, at that

time, in a position to respond and must indicate by when the Member will respond.

12.5 Redress

- a) Where a Member decides that redress in the form of compensation is appropriate in resolving a complaint, the Member must provide the complainant with fair compensation and must comply with any offer of compensation made by it which the complainant accepts
- b) Where a Member decides that redress in a form other than compensation is appropriate in resolving a complaint, the Member must provide the redress as soon as practicable.
- c) If the Client fails to receive a satisfactory response after the follow-up with the Member, they may lodge a complaint directly with SECDEX.
- d) SECDEX maintains Investor Protection and Grievance Resolution Mechanism (APPENDIX 2)

12.6 Recording of complaints

- a) A Member must maintain a record of all Client complaints. The record of each complaint must include;
 - 1. the identity of the complainant;
 - 2. the substance of the complaint; and
 - 3. all correspondence in relation to the complaint
- b) The records referred to in Rule 12.6 (a) must be retained by the Member for a period of 7 years from the date of the receipt of the complaint.

13. Governing Law and Jurisdiction

13.1 The governing law shall be the laws of the Seychelles and SECDEX and the Member agree to submit themselves to the jurisdiction of the Seychelles Courts, save as set in Clause 5.2 below.

13.2 In any contractual relationship, if they jointly agree, SECDEX and the Member can (a) choose to apply UK law to any dispute between them and (b) choose arbitration, as a means of dispute resolution, in any one of the jurisdictions which has signed the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958).

APPENDIX 1

ERROR AND ERRONEOUS TRADE POLICY

In Order to promote the integrity of the ETS and to maintain safeguards, SECDEX will use this Error and Erroneous Trade Policy to address trade errors and disputes for all Trades executed on SECDEX.

Erroneous Trades

Definition of “Erroneous Trade” – the execution of an Order due to an error in terms of price, quantity, side or symbol for that instrument at the time of execution.

- a) SECDEX shall initiate a review of an Erroneous Trade if it determines in its sole discretion that circumstances warrant such a review, regardless of whether or not a request to do so has been received. This includes any Trades that have been executed directly on SECDEX, and also Negotiated Trades that are brought onto SECDEX. Following review, SECDEX will exercise its sole discretion (acting reasonably) to cancel any Erroneous Trade. The decision to cancel such Erroneous Trade will be made in a timely fashion. Members will be informed of trade cancellations promptly.
- b) Criteria used by SECDEX in determining whether a Transaction is an Erroneous Trade include, but are not limited to:
 1. Discussions with relevant Member parties;
 2. Analysis of market data;
 3. Analysis of market events;
 4. A percentage price movement away from the price of the last trade of the Contract of 5% or above;
 5. Any system errors and/or failures that impact market integrity;
 6. Any Negotiated Transactions which do not comply with the pricing criteria defined in SECDEX Exchange Guide;
 7. SECDEX will promptly confirm its decision to the Trade busts contacts for both Member parties to the Erroneous Trade by telephone along with electronic mail confirmation;
 8. SECDEX will facilitate the cancellation or price amendment of any Erroneous Trades.

SECDEX will promptly confirm its decision to the Trade annulment of Eligible Products (including Securities and Derivatives) for both Member parties to the Erroneous Trade by telephone with an electronic mail confirmation.

SECDEX will facilitate the cancellation of any Erroneous Trades.

Error Trades

Definition – the execution of an Order, entered in error (e.g. in terms of price, quantity, side or symbol) at the prevailing market price for that instrument at the time of the execution.

- a) A Member may submit a request to cancel a Trade or amend a Trade price before 16:45 on the day of the trade, by telephone to SECDEX trading operations +230 4893975 or by email to trading.operations@secdex.net. Upon receipt of the request, SECDEX trading operations will contact the other Member party and communicate the request. The other Member party to the Trade are under no obligation to agree to the request.
- b) If the other Member party does not agree to the request, the initiator of the request will be informed and the Trade will stand.
- c) If the other Member party agrees to the request, SECDEX trading operations will facilitate the cancellation of the Trade, or amendment of the price of the Trade.

Note 1: Parties to the Transaction will remain anonymous unless they waive their right to anonymity.

Note 2: If the request has a percentage price movement away from the price of the last Trade of this instrument above 5%, SECDEX, at its discretion, can deem the Trade to be erroneous. In this scenario the Erroneous Trade procedures are followed. SECDEX will not follow the Erroneous Trade procedures in this scenario if a period of 30 minutes or more has elapsed since the time of execution.

Note 3: A Member may request to cancel a Trade only; no amendment of a trade will be permitted.

APPENDIX 2

Protection and Grievances Resolution Mechanism for Members and Clients of Members ('Clients') (jointly referred to as Investors)

1. General Introduction

The SECDEX Exchange Limited (SECDEX) has in place mechanisms for the protection of Investors. These include:

- An Error and Erroneous Trade Policy in order to maintain an orderly market.
- An Appeal Committee, inclusive of industry practitioners, to ensure all complaints, direct or indirect have an open hearing.

1.1 SECDEX Error and Erroneous Trades Policy;

SECDEX error and erroneous trade policy covers the execution of an order due to an error in terms of price, quantity, side or symbol for that instrument at the time of execution.

SECDEX Members are responsible for ensuring that the terms of an order entered into Exchange systems are accurate. Such responsibility extends to customers of members and member organizations who have direct or sponsored access to Exchange order entry systems.

1.2 Types of Complaint;

We envisage 2 types of complaints: Direct and Indirect.

- Direct Complaints are those originating from SECDEX Members. These complaints will be addressed as per the SECDEX Rule Book, Section 12.
- Indirect Complaints are those originating from indirect users of SECDEX services, namely Clients that have accessed the services of SECDEX through the use of a SECDEX member.

2. Lodging a Complaint against SECDEX or a SECDEX Member

- 2.1 One of the core objectives of the SECDEX is the protection of Investors' interests. In so doing, SECDEX ensures that Investors' complaints against SECDEX or SECDEX Members are adequately addressed.
- 2.2 If a Client lodges a complaint against a SECDEX Member and/or SECDEX, with supporting evidence of market misconduct or any activity which may bring the market into disrepute, SECDEX will immediately acknowledge and address such a complaint by referring it to the Appeal Committee (the "AC").
- 2.3 If the dispute involves a breach of SECDEX rules and falls within the purview of SECDEX, SECDEX will conduct an investigation of that matter.
- 2.4 If the complaint is regarding a commercial dispute between a Client and a SECDEX Member, the Client will first be advised to lodge a complaint promptly with the SECDEX Member. If the Client fails to receive a satisfactory response after follow-ups with the SECDEX Member, it may lodge a complaint directly with SECDEX. If the matter is purely commercial, SECDEX will not intervene in the dispute. SECDEX will then inform the investor of the relevant contact details for the SECDEX Member's regulatory authorities.
- 2.5 If the complaint originates from a source that has not used a SECDEX service, then the complaint will not be entertained.
- 2.6 When filing a complaint, the following minimum information must be submitted to SECDEX, namely:
 - a. Name, address and contact numbers of the complainant;
 - b. The name of the SECDEX Member (and where possible the individuals at the firm with whom the complainant dealt);
 - c. A description of the alleged improper conduct and the date(s) when the improper conduct took place; and
 - d. Details relating to any related transactions including, but not limited to: contract note, ledger entries relating to any transaction, bank statement(s) and any correspondence exchanged with regards to disputed matter.

3. Appeal Committee (the 'AC')

- 3.1 The AC:
 - a. Meets periodically, but not less than annually, to review all complaints. This includes all complaints both direct and indirect, and against both SECDEX Members and SECDEX itself.
 - b. Acts as the escalation point for any complaints which have arisen and not been resolved to the complainant's satisfaction.
- 3.2 A dedicated email (complaints.exchange@secdex.net) has been allocated for ease of lodging such complaints with the SECDEX.
- 3.3 The AC shall consist of not less than 3 people as set out below:

- a. Chairman of the Group
- b. Independent Non-Executive Director 1
- c. Independent Non-Executive Director 2

Details of actual AC members will be included in as attachment PART A to this policy and updated as necessary.

4. Complaint Handling Procedure

- 4.1 Once a complaint is referred to the AC, a meeting will be convened within 10 business days and will endeavour to issue a determination within 30 days.
- 4.2 If the AC is unable to satisfactorily resolve a complaint, the provisions of clause 5 below will apply.

5. Arbitration

- 5.1 If the AC is unable to satisfactorily resolve a complaint, then the complaint shall be submitted to and decided by arbitration pursuant to the International Arbitration Act 2008 of Mauritius. The arbitration shall be conducted in Mauritius in accordance with the Arbitration Rules of the Mauritius Chamber of Commerce and Industry (MARC), in force from time to time.
 - a. If the dispute shall:
 - i. be of a legal nature, then the arbitrator shall be a lawyer having not less than 10 (ten) years' experience in commercial law; and
 - ii. be of an accounting nature, then the arbitrator shall be a chartered accountant having not less than 10 (ten) years' experience in independent accounting practice, who, in determining such dispute shall be entitled to dispense with or minimise the rules so that the hearing of the matter may be expedited.
- 5.2 The parties to the dispute shall jointly nominate the arbitrator, provided that if the parties shall be unable to agree either on the category in which the dispute falls or the identity of the arbitrator, within 7 (seven) day of the nomination having been called for in writing, then the arbitrator shall be nominated by MARC.
- 5.3 The governing law shall be the laws of the UK.
- 5.4 The provisions of this clause 5 shall not preclude either party from approaching any Court of competent authority for an interdict or other injunctive relief of an urgent nature.

6. Record-keeping

A copy of all documents and materials relating to Complaints sent to SECDEX will be maintained in complaint register. SECDEX will retain such documents and materials for a minimum of 7 years.

PART A:

AC Representatives

Effective from [dd/mmm/yyyy]

Chairman of the Group	tba
Independent Non-Executive Director 1	tba
Independent Non-Executive Director 2	tba

APPENDIX 3

EXCHANGE GUIDE – SECDEX EXCHANGE LIMITED

General Information

Market Coverage	Equity Securities, Debt Securities and Derivatives
Market Hours	09:00 – 17:00 (GMT +4)
Listing Venue	SECDEX EXCHANGE LIMITED
Authorisation	Securities Exchange License at Securities Authority (FSA)

Order Execution Criteria

<p>Orders entered as an outright price representing a price bid/offered.</p> <p>All contracts will be matched using a price/time algorithm. The price/time algorithm will match best prices first. Where Orders have the same price, Orders received are matched in full, based on time priority.</p>

Market Information

Market Timetable	DAILY (all times GMT+4)
Available	00:30 - System available for connectivity.
Open	09:00 - Market open for trading with Order entry; Modification and Deletion permitted during a continuous trading period.
Close	17:00- System unavailable. Any outstanding resting orders that are still valid time in force for the next trading day will be saved. Any other resting orders will be flushed.

Supported Instructions

Limit	An Order submitted to SECDEX EXCHANGE LIMITED with a specified price and size
Market	An Order submitted to SECDEX EXCHANGE LIMITED with a specified size and no price

Fill or Kill	An Order submitted to the SECDEX EXCHANGE LIMITED platform with a specified size and, optionally, a specified limit price that is matched in full against eligible Orders or is rejected in its entirety
Immediate or Cancel (IOC)	An Order submitted to the SECDEX EXCHANGE LIMITED platform with a specified size and, optionally, a specified limit price, which matches either in full or in part, the remainder of which will be rejected
Good Till Time	An Order submitted to the SECDEX EXCHANGE LIMITED platform that will be valid for that session or expiry time

Supported Checks

Price Checks	<p>A tolerance check (initially 10% but configurable overall and on a per instrument basis) will be made on an aggressive basis against the Closing Price for Orders entered, i.e. a buy Order submitted for an instrument may only be accepted up to a maximum value of 10% higher than the applicable Closing Price. A sell Order submitted for an instrument may only be accepted up to a maximum value of 10% lower than the applicable Closing Price for the previous day.</p> <p>Orders which breach this tolerance check will be automatically rejected.</p> <p>Closing Prices are the mid-point of the Bid/Offer at Close. If no Bid/Offer exists then the last Trade Price is used. If no last Trade Price exists then the previous Closing Price is carried forward. If no previous Closing Price exists then no Closing Price is created or published.</p>
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Margin/Position Management

Mechanism	SECDEX EXCHANGE LIMITED will only allow trading against intraday settled trades or balances provided by Custodians or prefunded positions at the CCP initially for phase 1(for the first 6 months of go lie) with margin trading based on defined parameters then introduced to support derivatives with full CCP clearing.
Liquidation	Not applicable for phase 1.

APPENDIX 4

EXCHANGE GUIDE –SECDEX EXCHANGE LIMITED - CRYPTOCURRENCIES

General Information

Market Coverage	BTC, ETC, XRP & selected Fiat pairs
Market Hours	01:00 – 23:59 (GMT)
Listing Venue	SECDEX EXCHANGE LIMITED
Authorisation	Securities Exchange License at Securities Authority(FSA)

Order Execution Criteria

<p>Orders entered as an outright price representing a price bid/offered.</p> <p>All contracts will be matched using a price/time algorithm. The price/time algorithm will match best prices first. Where Orders have the same price, Orders received are matched in full, based on time priority.</p>

Market Information

Market Timetable	DAILY (all times GMT)
Available	00:30 - System available for connectivity.
Open	01:00 - Market open for trading with Order entry; Modification and Deletion permitted during a continuous trading period.
Close	23:59- System unavailable. Any outstanding resting orders that are still valid time in force for the next trading day will be saved. Any other resting orders will be flushed.

Supported Instructions

Limit	An Order submitted to SECDEX EXCHANGE LIMITED with a specified price and size
Market	An Order submitted to SECDEX EXCHANGE LIMITED

	with a specified size and no price
Fill or Kill	An Order submitted to the SECDEX EXCHANGE LIMITED platform with a specified size and, optionally, a specified limit price that is matched in full against eligible Orders or is rejected in its entirety
Immediate or Cancel (IOC)	An Order submitted to the SECDEX EXCHANGE LIMITED platform with a specified size and, optionally, a specified limit price, which matches either in full or in part, the remainder of which will be rejected
Good till Time	An Order submitted to the SECDEX EXCHANGE LIMITED platform that will be valid for that session or expiry time

Supported Checks

Price Checks	<p>A tolerance check (e.g. initially 10%) will be made on an aggressive basis against the Closing Price for Orders entered, i.e. a buy Order submitted for an instrument may only be accepted up to a maximum value of 10% higher than the applicable Closing Price. A sell Order submitted for an instrument may only be accepted up to a maximum value of 10% lower than the applicable Closing Price for the previous day.</p> <p>Orders which breach this tolerance check will be automatically rejected.</p> <p>Closing Prices are the mid-point of the Bid/Offer at Close. If no Bid/Offer exists then the last Trade Price is used. If no last Trade Price exists then the previous Closing Price is carried forward. If no previous Closing Price exists then no Closing Price is created or published.</p>
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Margin/Position Management

Mechanism	SECDEX EXCHANGE LIMITED only allows trading against intraday settled trades or balances provided by Custodians.
Liquidation	Not applicable

Contract Summaries

Instrument Type	Cryptocurrency pair
Short Description / Symbol	BTCETH BitCoin vs Ethereum BTCUSDT BitCoin vs USD Tether BTCXRP BitCoin vs Ripple
Tenors	N/A
Contract Expiry	N/A
Settlement	Immediate balance updates
Contract Size	Any quantity in multiples of 1 BTC to 0 decimal places
Quoting Convention	Price in Quote Currency quoted to 8 decimal places
Price Tick Size	0.00000001
Minimum Order Size	1
Maximum Order Size	1000
Base Currency	BTC
Underlying Index	N/A
Listing Venue	SECDEX EXCHANGE LIMITED
Exchange Segment	Crypto Pairs
Contract Parameters	N/A

Instrument Type	Crypto Fiat pair
Short Description / Symbol	BTCUSD BitCoin vs USD XRPUSD Ripple vs USD ETHUSD Ethereum vs USD
Tenors	N/A
Contract Expiry	N/A
Settlement	Immediate balance updates
Contract Size	Any quantity in multiples of 1 BTC to 0 decimal places
Quoting Convention	USD - Price in Quote Currency quoted to 6 decimal places
Price Tick Size	0.000001
Minimum Order Size	1
Maximum Order Size	1000
Base Currency	As defined by instrument
Underlying Index	N/A
Listing Venue	SECDEX EXCHANGE LIMITED
Exchange Segment	Crypto Fiat
Contract Parameters	N/A

APPENDIX 5

SECDEX CAPITAL ADEQUACY REQUIREMENTS

SECDEX EXCHANGE LIMITED (“SECDEX”)

Capital Adequacy Requirements

1. Objectives

- 1.1. Members shall submit returns to the SECDEX Exchange in the form set out in section 2 by the twelfth business day of each quarterly period, reflecting the Member's risk positions and its financial resources.
- 1.2. The SECDEX Exchange shall be entitled to full access to the Members' financial and other records at any time, in order to confirm the Member's compliance with the Capital Adequacy Requirements.

2. Detailed Method for Calculating the Capital Adequacy Requirements

2.1. The Member shall calculate its capital adequacy requirements in accordance with the table below:

Capital Adequacy Requirements as at:

	USD
6 month loaded operating expenses	xxx
Position Risk Requirement	xxx
Foreign Exchange Risk Requirement	<u>xxx</u>
Total Requirement	xxxx
Available Capital Resources	<u>xxxx</u>
Capital Surplus/(Shortfall)	<u>xxx/(xxx)</u>

3. Detailed Method of calculating 6 month loaded operating expenses

- 3.1. A Member shall be required to hold at all times capital which represents six (6) month loaded operating expenses.
- 3.2. Not later than 3 months after the last day of its financial year end, an Member shall submit to the SECDEX Exchange, together with its audited financial statements, a return of the expenses incurred by the Member during that year.
- 3.3. In determining 6 month loaded operating expenses, the following principles should be applied:
- I. Depreciation and losses arising from disposal of assets should not be taken into consideration.
 - II. Extraordinary items may be excluded, subject to approval of the SECDEX Exchange.
 - III. Interest paid to counterparties, which is related to trade may be excluded.
 - IV. Loss arising on the translation of foreign currency balances may be excluded.
- 3.4. A Member shall compute its 6 month loaded operating expenses for the year (following the audited financial year end) at 75 % (i.e. 9 months) of 6 month loaded operating expenses. This calculation is done annually.
- 3.5. Where a Member has just commenced trading or has traded for less than 1 year at its financial year end, the 6 month loaded operating expenses shall be based on budgeted amounts.

4. Detailed Method of Calculating Position Risk Requirement

- 4.1. A Member shall calculate its risk exposures arising from different classes of securities. The market value of the securities will be applied to a risk factor.
- 4.2. The mark value will be based on a mark to market its securities, bonds and financial instruments positions.
- 4.3. For equity securities, the following risk will be applied:
- I. Securities Listed on SECDEX: 35%
 - II. Securities Listed on another licensed stock exchange: 40%
- 4.4. For debt securities issued and guaranteed by a government or central bank, the following risk factor will be applied:
- I. Less than 1 year to maturity: 5%
 - II. 1 to 3 year to maturity: 10%
 - III. More than 3 years to maturity: 20%
- 4.5. For other listed debt securities, the following risk factor will be applied:
- I. Less than 1 year to maturity: 10%
 - II. 1 to 3 year to maturity: 20%
 - III. More than 3 years to maturity: 30%
- 4.6. Where a Member holds investments other than equity or debt securities listed on a licensed stock exchange, the risk factor will be 50% of realisable value.

5. Detailed Method of Calculating Foreign Exchange Risk Requirement

5.1. A Member shall calculate a foreign exchange requirement to cover the foreign exchange risk resulting from:

- I. foreign exchange dealing;
- II. Holding assets and liabilities giving rise to risk exposures in currencies other than in United State Dollar ; and
- III. Holding any off-balance sheet contract which gives rise to an exposure in a currency other than in United State Dollar (USD).

5.2. The net exposure is calculated by deducting liabilities in foreign currency from assets in foreign currency :

5.3. The net exposure is converted into USD using the currency spot rate

5.4. A Member shall calculate the foreign exchange requirement as 10% of the higher of:

- I. the aggregate of the net open long positions in each currency; and
- II. the aggregate of the net open short positions in each currency.

5.5. A long position occurs when the net exposure in a foreign currency is positive.

5.6. A short position occurs when the net exposure in a foreign currency is negative.

6. Detailed Method of Calculating Available Capital Requirements

6.1. A Member shall calculate its Available Capital Requirements as follows:

Owners Capital less Impaired Capital

6.2. Owners Capital is calculated by adding the following:

- I. Ordinary share capital
- II. Preference share capital
- III. Share premium
- IV. Reserves
- V. Audited retained earnings/(losses)
- VI. Unaudited retained earnings/(losses)

6.3. Preference share capital shall constitute available capital if:

- I. it is not redeemable or
- II. if it is redeemable,
 - (a) the initial period to redemption was at least five years; and
 - (b) the remaining period to redemption is greater than eighteen months.

6.4. SECDEX may limit the extent to which unaudited retained earnings are included if it is of the opinion that the Member's financial reporting and management systems are not accurate.

6.5. Impaired Capital is made up of Intangible Assets and Guarantee Provided

6.6. Intangible assets include goodwill, capitalised development costs, licences, trademarks, brands and similar rights.

6.7. Guarantees provided include the maximum current exposure of the Member arising from any guarantee given, or asset pledged to secure the obligations of a third party.

7. General Obligations of Members

- 7.1. The returns or any reporting statement submitted by a Member shall be signed by at least two directors of the Member or such persons as authorised by the Board of Directors of the Member.
- 7.2. No Member shall permit a shortfall in its capital other than pursuant to a specific temporary exception granted by SECDEX Exchange due to unusual circumstances.
- 7.3. Where an Investment Dealer fails to comply with these rules, SECDEX Exchange may declare the Member to be defaulter.
- 7.4. SECDEX shall be entitled to suspend a Member should there be a deficiency.