



04/19/2016

**OPERATING  
RULES OF  
OGG TRADING, LLC – OGG SOLUTION**

**I. ADMINISTRATION**

These Operating Rules regulate the operations of the Ogg Solution provided by Ogg Trading, LLC (the "Company"), a Delaware limited liability company, and of each user ("Participants"), and further govern the rights and obligations of Participants' Prime Brokers (defined below). The Ogg Solution provides a fully automated trading platform for the conclusion of spot foreign exchange transactions. Each Participant agrees that at the time of accessing the Ogg Solution, it accepts and agrees to these Operating Rules. Each Participant further represents and warrants, and shall be deemed to represent and warrant each time Participant accesses, or enters an order or effects a transaction over the Ogg Solution, that it is an Eligible Participant (as defined in Appendix No. 1 to these Operating Rules) and satisfies the applicable requirements set forth in Appendix 2 to these Operating Rules.

Participants are obligated to use the Ogg Solution in accordance with the Operating Rules in order to guarantee proper order entry and execution of Transactions (as defined below) and to that end, will provide all relevant documents requested by the Company that are reasonably necessary to maintain efficient operation of the Ogg Solution.

**II. ORDERS**

The orders sent to the Ogg Solution shall be automatically matched with one another. Matched orders will be settled by Participants in accordance with their terms, and are subject to these Operating Rules (each, a "Transaction"). Transactions which are effected via the Ogg Solution shall be deemed transactions of the Participants, and, if applicable, of a person that authorizes the Participant to enter into Transaction in the name or for account of such Person (each, a "Prime Broker" or "Sponsoring Firm"), provided that the transaction is accepted by the Prime Broker. Each Prime Broker shall be subject to these Operating Rules to the extent applicable, and shall have executed appropriate Company documentation. All Transactions by Participants with Prime Brokers must comply with the restrictions and obligations ("Trading Limits") established by their respective Prime Brokers. Participants shall be responsible for all orders placed by them, regardless of whether its Prime Broker has accepted the Transaction as a trade binding the Prime Broker, or has refused to settle the Transaction.



If the Company believes, based on facts reasonably available to it, that a trade or Participant is in violation of applicable law or regulations or these Operating Rules, the Company may, by carrying out the relevant entries in the Ogg Solution, eliminate the Transaction and the trade will not settle, without liability for any such action or failure to act.

### **III. SUSPENSION OR DISCONTINUANCE OF USE**

If the Company believes, based on facts reasonably available to it, that violations of these Operating Rules or laws or regulations or a breach of any agreement between the Company and a Participant that relates to the use of the Ogg Solution by the Participant is occurring or that other irregularities exist which may impair trading on and efficient operation of the Ogg Solution, it may temporarily suspend or permanently discontinue the access of the applicable Participants or it may suspend the operations of the Ogg Solution.

In the event a Prime Broker notifies the Company that it is no longer willing to authorize Transactions of a Participant, the Company shall order the suspension of such Participant from trading on the Ogg Solution. The suspension from the Ogg Solution shall be effective until the Prime Broker notifies the Company that it is again willing to authorize the Participant to enter into Transactions in the account and on behalf of the Prime Broker.

### **IV. TRADING LIMITS**

A Participant may not engage in any trading activity that would result in violation of a Trading Limit, including exceeding a credit or position limit. If a Participant exceeds the credit limit or position limit established by its Prime Broker, or fails to comply with any other Trading Limit established by its Primer Broker, the Company has the right to suspend Participant's access to the Ogg Solution until such time when Participant's Prime Broker notifies the Company that the Participant may resume trading.

If a Participant does not comply with Trading Limits (e.g., exceeds a credit limit) and the Prime Broker refuses to accept the Transaction for that reason or any other reason, then the Company may, by carrying out the relevant entries in the Ogg Solution, break the Transaction, and the Company shall have no liability with respect to such action or failure to take such action.



## **V. USE OF DATA**

Data accessed through the Ogg Solution shall only be used by the Participants and Prime Brokers for their internal use, for purposes of trading on the Ogg Solution and settlement of Transactions. Transmission of such data to third parties or use of such data for any purpose except as necessary for trading on the Ogg Solution, is prohibited without the prior consent of Company.

## **VI. TRADING HOURS AND TRADING PERIODS**

The Ogg Solution will be available for trading during the following hours: Sunday, 3:00 PM Eastern Time through Friday, 5:00 PM Eastern Time ("Trading Hours"). The Company may change the Trading Hours to the extent necessary for operation of the Ogg Solution.

## **VII. IRREGULARITIES**

All questions as to the validity, terms or eligibility of any order or Transaction shall be determined by the Company, which determination shall be final and binding.

The Company reserves the right to reject all or any orders which do not comply with these Operating Rules, or to waive any Operating Rule. The Company shall use reasonable efforts, but shall be under no duty, to give Participants or Prime Brokers notice of any irregularities in an order placed on the Ogg Solution.

## **VIII. CLEARLY ERRONEOUS TRANSACTIONS**

An execution of an order at a price substantially different from, or inconsistent with, the prevailing market for a given currency pair on a trading day or outside the traded range for a given currency pair for a particular moment in time may be deemed by the Company a "Clearly Erroneous Transaction". Any order executed at a different price than the interbank best bid/offer or any other foreign exchange bid/offer market shall not be deemed to be erroneous solely because it was executed at such different price, provided that the price was within the trade range in the interbank or foreign exchange market at the time the trade was executed. In determining whether an order is a Clearly Erroneous Transaction, the Company will consider the following factors: (1) price range; (2) price volatility; (3) relative volume; (4) overall market conditions; and (5) other facts and circumstances as the situation may warrant.

The Company will review Objections (defined below) to Transactions, and further, reserves the right to initiate a review of a Transaction regardless of whether an Objection to



Transaction is received.

If, based on the data reasonable available to it, the Company determines that a trade is a Clearly Erroneous Transaction, the Company will use its good faith efforts to assist the parties to that Transaction to arrive at a resolution which is reasonably acceptable to the Participants. If no resolution is reached, to the Company's knowledge, within 60 minutes from the Company's attempt to notify the Participants of its determination that a trade is a Clearly Erroneous Transaction, the Company may unilaterally break, cancel, nullify, amend or modify the transaction and may further take such actions as reasonably necessary to maintain efficient operation of the Ogg Solution. The Company shall have no liability for any such action or failure to take action. Participants are financially responsible for any offsetting transactions.

#### **IX. DEADLINE FOR OBJECTIONS TO TRANSACTIONS**

If a Participant believes a transaction was a Clearly Erroneous Transaction, or believes that a transaction is not an eligible Transaction for any other reason, the Participant must provide the Company with notice of its objection by email or telephone within twenty minutes from the time the disputed or questioned trade was executed. Such objections must be submitted via e-mail to [support@oggtrading.com](mailto:support@oggtrading.com), with the subject line "Objection to Transaction" or by telephone to (212) 612-9797, provided that Participants shall follow objections submitted by telephone with an email, confirming the telephonic communication, to be sent within thirty minutes from the time the disputed or questioned trade was executed (each notice of objection so submitted, with the information provided below, shall be an "Objection"). The Company may, in its sole discretion, consider Objections submitted after these deadlines, depending on the facts and circumstances surrounding such request. An Objection must include the following information: (1) Participant name, account number and contact information; (2) currency pair; (3) execution price or range of execution prices; (4) time of trade execution; (5) number of units executed; and (6) basis for objection.

#### **X. AMENDMENTS TO OPERATING RULES**

Amendments to the Operating Rules become effective one day after their announcement by the Company, which shall be effectuated by posting on the Ogg



Solution, unless a later point in time is indicated.

#### **XI. LIABILITY**

The liability of the Company shall be limited to its gross negligence and willful misconduct, unless another standard is provided in a legal agreement between the Company and Participant. Without limiting the foregoing, the Company shall have no liability to any Participant or Prime Broker in connection with the failure of any other Participant or any Prime Broker to settle a Transaction, comply with the terms of these Operating Rules or the agreements between such Participant or Prime Broker with the Company or with any other Participant or Prime Broker.

#### **XII. APPLICABLE LAW AND PLACE OF JURISDICTION**

The relationship between the Company and Participants shall be ruled by the laws of the State of New York, United States of America, without reference to its conflict of laws rules.

#### **XIII. EFFECTIVENESS**

These Operating Rules become effective as of 22 September 2014.



## APPENDIX NO. 1

An "Eligible Participant" is a Participant that:

- A. is a financial institution as defined in section 1a(18) of the U.S. Commodity Exchange Act (the "Act") acting as a principal for its own account and not in a brokerage capacity as described in section 1a(18)(B)(i); or
- B. is an FX ECP (as defined below) which has entered into a written agreement with a Prime Broker participating in the Ogg Solution pursuant to which Participant is authorized to trade in the Prime Broker's name and uses the Ogg Solution either:
  - i. to enter into transactions as a principal for its own account and not in a brokerage capacity as described in Section 1a(18)(B)(i) of the Act; or
  - ii. as an entity authorized by its clients to exercise investment discretion to buy, sell or otherwise trade in foreign currency interests ("Interests") for such clients, which clients of Participant are buying or selling Interests as principals for their own accounts and not in a brokerage capacity in respect of Transactions effectuated via the Ogg Solution, and each such customer of Participant is an FX ECP.

For the purposes of these Operating Rules, "FX ECP" means:

1. An eligible contract participant ("ECP") as defined in section 1a(18) of the Act, other than an eligible contract participant that is a commodity pool operator described in section 1a(18)(iv) of the Act;
2. A collective investment vehicle that invests in commodity interests that (I) has total assets exceeding US \$5,000,000 or its equivalent in another currency; AND (II) is formed and operated by a person subject to regulation under the Act or by a non-U.S. person performing a similar role or function and subject as such to non-U.S. regulation (regardless of whether each investor in the commodity pool or the non-U.S. person is itself an ECP) ("Qualified Commodity Pool"), which Qualified Commodity Pool trades Interests only for bona fide hedging purposes as defined in U.S. Commodity Futures Trading Commission ("CFTC") Regulation 1.3(z);
3. A Qualified Commodity Pool in which all direct participants are ECPs and that has not been structured to evade any provision of the Act that requires that each counterparty to an FX transaction be an ECP;
4. A Qualified Commodity Pool in which all direct and indirect participants are ECPs;
5. A Qualified Commodity Pool (I) that is not operated by a commodity pool operator (as defined in section 1a(5) of the Act) located within the United States, its territories or possessions (II) in which each of its participants is a "Non-United States person" as defined in CFTC Regulation 4.7(a)(1)(iv) AND (III) all units of participation in each of its



- participants that is an entity organized principally for passive investment are held by "Non-United States persons" as defined in CFTC Regulation 4.7(a)(1)(iv); or
6. A collective investment vehicle that invests in commodity interests that: (I) has total assets exceeding US \$10,000,000 or its equivalent in another currency; AND (II) is operated by a commodity pool operator registered with the CFTC or by a commodity pool operator which is exemption from such registration pursuant to CFTC Rule 4.13(a)(3); AND (III) has not been structured to evade any provision of the Act.

#### APPENDIX NO. 2

If a Participant is located in one or more of the countries below, each time Participant accesses, or enters an order or effects a transaction over the Ogg Solution, Participant represents and warrants to the Company that it meets the criteria for the applicable country(ies) listed below:

#### **United Kingdom**

If Participant is located in the United Kingdom, Participant is authorized by the Financial Conduct Authority or the Prudential Regulation Authority under the Financial Services and Markets Act 2000.

#### **Switzerland**

If Participant is located in Switzerland, Participant is one or more of the following:

- (a) a licensed "securities dealer" (*Effekthändler*) within the meaning of the Swiss Federal Statute on Stock Exchanges and Securities Dealing (*Börsengesetz*) and is licensed to enter and execute orders in securities and other interests;
- (b) Pursuant to art. 2, para. 3 of the Swiss Federal Ordinance on Stock Exchanges and Securities Dealing (*Börsenverordnung*), exempted from the requirement to be licensed as a "securities dealer" (*Effekthändler*) under the Swiss Federal Statute on Stock Exchanges and Securities Dealing (*Börsengesetz*) to enter and execute orders in securities and other interests (exempted entities are: the *Schweizerische Nationalbank* (the central bank of Switzerland), fund managers under the Swiss Federal Statute on Investment Funds, insurance companies under the Swiss Federal Statute on Private Insurers and pension funds subject to supervision and within the Swiss Federal Statute on Occupational Old Age, Survivors and Invalidity Pension Funds);
- (c) a government pension fund;
- (d) a corporate pension fund;
- (e) a licensed distributor of funds regulated by the Swiss Federal Banking Commission;
- (f) a hedge fund manager with assets under management of CHF 20,000,000, and each account under User's manager for which User enters an order or effects a



transaction via the System or otherwise uses the System has at least US \$10,000,000 in net assets;

- (g) an asset manager with assets under management of CHF 20,000,000, and each account under User's manager for which User enters an order or effects a transaction via the System or otherwise uses the System has at least US \$10,000,000 in net assets; or
- (h) a corporation with its own treasury department or a sophisticated institutional investor that, in each case, (i) effects transactions in securities and other interests in the ordinary course of its business only for its own account or for the account of its affiliates and (ii) has net assets of at least CHF 20,000,000 as well as US \$10,000,000;

## **AND**

Participant maintains the records required by the Swiss Federal Statute on Stock Exchanges and Securities Dealing (*Börsengesetz*) and its implementing ordinances, if applicable.

## **Canada**

If Participant is located in Canada, Participant is one of the following (a "Qualified Party"):

- (a) a Schedule III bank or a Canadian financial institution, which includes:
  - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
  - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person or company referred to in paragraph (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;
- (d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than as a scholarship plan dealer or a restricted dealer;

- (e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada or a wholly-owned subsidiary of such a pension fund;
- (f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);
- (g) the Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Permitted Canadian Provinces;
- (j) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a managed account managed by the trust company or trust corporation, as the case may be;
- (k) a person or company acting on behalf of a managed account managed by the person or company, if the person or company is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (l) an investment fund if one or both of the following apply:
  - (i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;
  - (ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;
- (m) a registered charity under the *Income Tax Act* (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in section 1.1 of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106"), or an adviser registered under the securities legislation of the jurisdiction of the registered charity;
- (n) a person or company, other than an individual or an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements;



- (o) a person or company that distributes securities of its own issue in Canada only to persons or companies referred to in paragraphs (a) to (n); **OR**
- (p) a person or company, other than an individual, that is an "accredited investor" as defined in section 1.1 of NI 45-106.

## **Netherlands**

If Participant is located in the Netherlands, Participant is a professional investor within the meaning of Section 1:1 of the Dutch Act on Financial Supervision (Wet op het financieel toezicht; the "Wft"):

- (a) manager of a collective investment scheme as defined in the Wft;
- (b) manager of a pension fund or a comparable legal entity or company as defined in the Wft;
- (c) collective investment scheme as defined in the Wft;
- (d) investment firm as defined in the Wft;
- (e) national or regional government body or government body administering the public debt;
- (f) central bank;
- (g) financial institution as defined in the Wft;
- (h) international or supranational company governed by public law or a comparable international organization;
- (i) credit institution as defined in the Wft;
- (j) market maker as defined in the Wft;
- (k) organization whose most significant activity comprises investing in financial instruments, executing securitizations or other financial transactions;
- (l) pension fund or comparable legal entity or company as defined in the Wft;
- (m) person or company trading in raw materials at its own expense and instruments derived from raw materials;
- (n) large undertakings meeting two of the following size requirements on a company basis: (i) balance sheet total of EUR 20,000,000, (ii) net turnover of EUR 40,000,000 or (iii) own funds of EUR 2,000,000; **OR**
- (o) insurer as defined in the Wft.



## Hong Kong

(a) User is a "Professional Investor" under the Hong Kong Securities Futures Ordinance;

**AND**

(b) if User uses the SEF System for non-deliverable forwards, forwards for FX, foreign exchange options and derivatives on precious metals, User is **not**:

- (i) a full licensed bank licensed with the Hong Kong Monetary Authority;
- (ii) a restricted licensed bank licensed with the Hong Kong Monetary Authority;
- (iii) a deposit-taking company authorized by the Hong Kong Monetary Authority.