

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): _____

Organization: _____

Filing as a: **DCM** **SEF** **DCO** **SDR** Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): _____ Filing Description:

SPECIFY FILING TYPE Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

| | |
|-------------------------------------|------------|
| Certification | § 40.6(a) |
| Approval | § 40.5(a) |
| Notification | § 40.6(d) |
| Advance Notice of SIDCO Rule Change | § 40.10(a) |
| SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: _____

New Product Please note only ONE product per Submission.

| | |
|---------------------------------------|------------|
| Certification | § 40.2(a) |
| Certification Security Futures | § 41.23(a) |
| Certification Swap Class | § 40.2(d) |
| Approval | § 40.3(a) |
| Approval Security Futures | § 41.23(b) |
| Novel Derivative Product Notification | § 40.12(a) |
| Swap Submission | § 39.5 |

Official Product Name: _____

Product Terms and Conditions (product related Rules and Rule Amendments)

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| Certification | § 40.6(a) |
| Certification Made Available to Trade Determination | § 40.6(a) |
| Certification Security Futures | § 41.24(a) |
| Delisting (No Open Interest) | § 40.6(a) |
| Approval | § 40.5(a) |
| Approval Made Available to Trade Determination | § 40.5(a) |
| Approval Security Futures | § 41.24(b) |
| Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: _____

Rule Numbers: _____



April 17, 2024

Submitted via CFTC Portal

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: SpectrAxe LLC – Amendment of Rulebook (Rules 101, 211, 305, 306, 311, 401, 405, 413, 415, 504, 505, 615, 701, 903, 1101, and 1105)

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c) of the Commodity Exchange Act (Act) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (Commission), SpectrAxe LLC (SpectrAxe) hereby submits amendments to its SpectrAxe Rulebook (Rulebook) related to the above-captioned Rules (Amended Rules). Specifically, the Rulebook has been amended as detailed in Attachment A.

The amendments will become effective on July 2, 2024, no fewer than ten (10) business days from the date hereof.

In connection with this submission, SpectrAxe hereby notifies the Commission that:

1. SpectrAxe certifies that it has posted a notice of this pending certification with the Commission and a copy of this submission on SpectrAxe's website, including redlines of the Amended Rules, which are attached hereto as Attachment B, and a copy of the Amended Rules, which are attached hereto as Attachment C;
2. SpectrAxe certifies that the Amended Rules comply with the Act and the Commission's regulations thereunder; and
3. No substantive opposing views with respect to the Amended Rules were expressed to SpectrAxe by its governing board or committee members, members of SpectrAxe or market participants.

If you have any questions regarding this submission, please do not hesitate to contact the undersigned at +1-929-581-0340 or mlee@spectraxe.com.

Respectfully,

A handwritten signature in black ink, appearing to read "mlee", with a horizontal line extending to the right.

Michael Lee
Chief Compliance Officer, Chief Regulatory Officer
SpectrAxe, LLC

Attachment A

Explanation of Changes

| Rule | Description of Change | Explanation of Change |
|--------------------------------------|---|---|
| General | Changed all in-line list items from letters (e.g., "(a)" or "(A)") to Roman numerals (i.e., "(i)"). | The in-line list item indicators were inconsistent. Some sentences contained list items starting with letters while others were in Roman numerals. Accordingly, all such in-line list items were changed to Roman numerals, to promote style consistency throughout the Rulebook. |
| 101. Defined Terms | Add definition of "Axe FX Trading Platform." Amend definition of "Swap Execution Facility." | The Rulebook has been revised so that all references to SpectrAxe's SEF are by name, to ensure clarity. References in the Rulebook to other SEFs will be made with the term "swap execution facility" or "SEF." |
| | Amend definition of "Eligible Contract Participant." | The definition has been revised to clarify that the term "ECP" means "Eligible Contract Participant." |
| | Add definition of "Spot Stop." Add definition of "Time Stop." | The Rulebook has added the definitions of "Spot Stop" and "Time Stop," to reflect the new features that will become available to Participants in the updated release of the Axe FX Trading Platform. |
| 211. Chief Compliance Officer | Add reference to APIs. | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |
| 305. Authorized Users | Remove unnecessary or redundant information. | The provision stating that Participants may appoint additional Authorized Users has been removed, as it is unnecessary. |

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| | | The phrase “revoke, suspend or limit the status of a Person as an Authorized User” has been simplified to “revoke, suspend, or limit the status of an Authorized User.” |
| | Add reference to APIs | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |
| | Add new sub-section (b) regarding API requirement. | <p>A Participant that wishes to utilize a trading API on the Axe FX Trading Platform must identify at least one natural person (who must be an employee, agent, or authorized contractor of the Participant) that will be responsible for the actions, including the placing of any Orders or the entering of any Trades, taken by the trading API.</p> <p>If the Company has any questions or requires any information regarding the trading API, the Company will reach out to the natural person(s) identified by the Participant.</p> <p>The identified natural person(s) must be responsible for understanding all Rules applicable to Authorized Users and receiving all communications from the Company, pursuant to the Rulebook.</p> |
| 306. PFI Connection Requirement | Remove requirement that the PFI must have a Master Agreement or comparable trading relationship documentation in place with at least two other PFIs. | <p>This requirement was removed because it is redundant.</p> <p>To be clear, all PFIs onboarded onto the Axe FX Trading Platform must have a Master Agreement or comparable trading</p> |

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| | | relationship documentation in place with all other PFIs onboarded onto the Axe FX Trading Platform. |
| 311. Communications Between the Company and Participants or PFIs | Add references to natural person(s) responsible for any APIs. | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |
| 401. Swaps Traded on the Axe FX Trading Platform | Replace reference to “the SEF” with “Axe FX Trading Platform.” | The reference to SpectrAxe’s SEF has been amended to refer to the Axe FX Trading Platform by name. |
| 405. Expiration, Modification, and Cancellation of Orders | Add new sub-section (a) regarding automatic expiration of Orders. | <p>This sub-section was added to clarify that all Orders automatically expire at the close of the relevant Trading Hours.</p> <p>At this time, the Axe FX Trading Platform does not have different Trading Hours for different Swaps. As such, as of the date of the Rulebook, all open Orders automatically expire at 5 PM EST (New York time) on each day the Axe FX Trading Platform is open for business.</p> |
| | Add new sub-section (c)(ii) regarding Time Stops and Spot Stops. | <p>This sub-section was added to notify all Participants that Time Stops and Spot Stops can be used to cancel Orders.</p> <p>The Rule also makes clear that SpectrAxe shall make best efforts to cancel an Order with a triggered Time Stop or Spot Stop within the set time or price parameter but cannot guarantee that each Order will be canceled exactly at such parameter.</p> |
| | Add clarifying language. | Amended the Rule to clarify that cancellations are |

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| | | <p>referring to cancellations of Orders.</p> <p>Amend the Rule to clarify that the modifications and cancellations referred to in this Rule are actions done by a Participant's Authorized Users.</p> |
| <p>413. Limitation of Liability</p> | <p>Add reference to Time Stops and Spot Stops.</p> | <p>The Rulebook has been updated to reflect that the Company shall not be liable for any failure, malfunction, delay, inaccuracy, or interruption in the cancellation of an Order through a Time Stop or a Spot Stop unless such failure, malfunction, delay, inaccuracy, or interruption is due to fraud, gross negligence, or willful misconduct by the Company.</p> |
| <p>415. User IDs</p> | <p>Add reference to APIs.</p> | <p>The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform.</p> |
| | <p>Amend change notification requirement to no longer require that the notice be sent by a Designated Contact or Operational Contact.</p> | <p>Certain Participants have requested that their written requests to add or remove a User ID be allowed from individuals who are not the Participant's Designated Contact or Operational Contact. These Participants have stated that they want their Designated Contacts and Operational Contacts to be high-ranking individuals, and that such individuals may not necessarily have the time to send such written notice to the Company and may, as such, wish to delegate the task.</p> <p>The Rule has been amended so that, provided the</p> |

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| | | Designated Contact or Operational Contact is sufficiently aware of the written request to add or remove a User ID, as determined by the Company, such as by being copied in the email request to the Company, a written request to add or remove a User ID will be honored by the Company even if it is not sent by a Designated Contact or Operational Contact. |
| 504. System Security | Add reference to APIs. | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |
| 505. Front-End User Interface; Audit Trail | Add reference to APIs. | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |
| 615. Recordkeeping | Amend Rule to clarify that SpectrAxe, and not the Participant's Authorized User, fills out CTI codes. | The Axe FX Trading Platform does not have a process for a Participant's Authorized Users to indicate, with the submission of each Order, which CTI code is most appropriate for such Order. Accordingly, the Rule has been amended to reflect that the Company submits the appropriate CTI code on behalf of the Participant, based off of information provided during the onboarding process, when reporting the required swap data. |
| 701. General | Add reference to APIs. | The Rulebook has been updated to reflect that trading APIs can now be utilized on the Axe FX Trading Platform. |

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| 903. Exercise of Options | Add reference to NDOs. | <p>The Rule has been amended to reflect that NDOs are now available to trade on the Axe FX Trading Platform.</p> <p>New sub-section (c)(i) has been added to differentiate between the exercise process of NDOs from the exercise process of deliverable FX options.</p> |
| | Add clarifying language. | <p>Generic references to options have been amended to specifically refer to deliverable FX options, where appropriate.</p> <p>References to the “reference rate” now include the following description “at the time of option maturity.”</p> <p>The Rule used to describe the comparison between the option strike price and the reference rate by referring first to the option strike price (e.g., “If the strike price of a call is below the reference rate at expiration...”). The Rule now describes the comparison by referring first to the reference rate, as is industry standard (e.g., “If the reference rate at the time of option maturity is above the strike price of a call...”)</p> |
| 1101. Legal Certainty; Confirmations | Remove outdated reference to CFTC No-Action Letter. | <p>The reference to CFTC No-Action Letter 17-17 was removed as it has expired due to the Swap confirmation Requirements for Swap Execution Facilities Final Rule becoming effective on May 31, 2024.</p> |

Attachment B

Redline Versions of the Amended Rules

(Rules 101, 211, 305, 306, 311, 401, 405, 413, 415, 504, 505, 615, 701, 903, 1101, and 1105)

Rule 101

Defined Terms

Unless otherwise specified in these Rules or unless the context otherwise requires, the terms defined below in this Rule 101 shall for all purposes of these Rules have the meanings specified herein.

AAA

The term “AAA” means the American Arbitration Association.

Affiliate

An “Affiliate” of, or a Person “Affiliated” with, another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

API

The term “API” means application programming interface.

Appeals Panel

The term “Appeals Panel” means a panel appointed by the CCO pursuant to Rule 716(g).

Applicable Law

The term “Applicable Law” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental authority, or self-regulatory organization applicable to such Person, including without limitation the CEA, the Exchange Act and CFTC Regulations.

Audit Trail

The term “Audit Trail” has the meaning given to that term in Rule 505(a).

Authorized User

The term “Authorized User” means any natural person who is an agent or employee of a PFI, a Participant or any other Person that has been authorized to access the Axe FX Trading Platform. In the case a computer or system is used to access the Axe FX Trading Platform via an API, the natural person designated to be responsible for such computer or system’s activity on the Axe FX Trading Platform shall be the Authorized User.

[Axe FX Trading Platform](#)

The term “Axe FX Trading Platform” (or “Axe Platform”) means the swap execution facility operated by the Company and registered with the CFTC.

Beneficial Ownership or Beneficially Owned

The term “Beneficial Ownership,” or an interest “Beneficially Owned” by any Person, means, with respect to an account, a direct or indirect (through one or more subsidiaries or Affiliates) pecuniary interest in the account (through any Swap, arrangement, understanding, relationship or otherwise).

Board

The term “Board” means the Board of Directors of the Company constituted in accordance with the LLC Agreement, these Rules and Applicable Law.

Cancel Order

The term “Cancel Order” means an Order that cancels fully or partially an existing Order.

Cancel Replace Order

The term “Cancel Replace Order” means an Order to cancel fully or partially an existing Order and replace it with a new Order for a different quantity or price.

CFTC

The term “CFTC” means the Commodity Futures Trading Commission and includes any successor agency or authority.

CFTC Regulation

The term “CFTC Regulation” means any rule, regulation, order or directive and any published interpretation thereof adopted or promulgated from time to time by the CFTC.

Chief Compliance Officer

The term “Chief Compliance Officer” (or “CCO”) means the individual appointed by the Board from time to time to oversee compliance matters in accordance with Rule 211.

Chief Executive Officer

The term “Chief Executive Officer” (or “CEO”) means the individual appointed by the Board from time to time to serve as chief executive officer of the Company.

Chief Operating Officer

The term “Chief Operating Officer” (or “COO”) means the individual appointed by the Board from time to time to serve as chief operations officer of the Company.

Cleared Swap

The term “Cleared Swap” means a Swap that is required to be cleared by a DCO pursuant to Section 2(h)(1) of the CEA and CFTC Regulation 50.2 (Treatment of Swaps Subject to a Clearing Requirement) or is otherwise designated by or on behalf of the parties to be submitted to a DCO for clearing, including a New Swap/Old Terms or New Swap/Corrected Terms, including any such Swap that is rejected from clearing by the applicable DCO. As of the date of this Rulebook, the Axe FX Trading Platform does not offer Cleared Swaps.

Client Account

The term “Client Account” means a Person that has granted investment discretion to trade on its behalf.

Commodity Exchange Act

The term “Commodity Exchange Act” (or “CEA”) means the law set forth at 7 U.S.C. § 1, *et. seq.*

Company

The term “Company” will be SpectrAxe, LLC.

Company Official

The term “Company Official” means any Officer of, or individual employed directly by, the Company or any individual rendering similar services on behalf of the Company under a secondment agreement.

Compliance Department

The term “Compliance Department” means the CCO and the individuals under the supervision of the CCO who are responsible for enforcing these Rules and conducting investigations of alleged violations of these Rules. As the term is used herein, the Compliance Department includes: (i) the Company’s compliance staff dedicated to enforcing these Rules and performing services

directly related to the Company's compliance with Applicable Law and (ii) employees of other divisions of the Company or its Affiliates who have certain regulatory responsibilities with respect to the Company.

Control

The term "Control," including the terms "Controlling," "Controlled by" and "under common Control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

Derivatives Clearing Organization

The term "Derivatives Clearing Organization" (or "DCO") has the meaning given to that term in Section 1a(15) of the CEA. For the avoidance of doubt, the Company does not submit Uncleared Swaps to a DCO and does not have any agreement or arrangement with a DCO for Uncleared Swaps.

Designated Contact

The term "Designated Contact" means a natural person who is designated, pursuant to Rule 416, by a Participant or PFI with the authority to receive Notices and other communications from the Company to the Participant or PFI. The Designated Contact may, but need not be, an Authorized User.

Director

The term "Director" means any member of the Board.

Disciplinary Offense

The term "Disciplinary Offense" shall have the meaning set forth in Rule 209(c).

Disciplinary Panel

The term "Disciplinary Panel" means the panel appointed pursuant to Rule 710 to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 717), to make findings, render decisions, and impose sanctions pursuant to Chapter 7 of the Rules.

Electronic Access

The term "EA" or "Electronic Access" means electronic access to the Axe FX Trading Platform's Order Book and execution functionality through direct electronic connection.

Eligible Contract Participant

The term “Eligible Contract Participant” (or “ECP”) has the meaning given to that term under Section 1a(18) of the CEA and CFTC Regulations thereunder.

Emergency

The term “Emergency” has the meaning given to that term in Rule 412(a).

Exchange Act or Securities Exchange Act of 1934

The term “Exchange Act” of “Securities Exchange Act of 1934” means the law set forth at 15 U.S.C. § 78a, *et. seq.*

Final Decision

The term “Final Decision” shall have the meaning set forth in Rule 209(c).

Introducing Agent

The term “Introducing Agent” means a futures commission merchant or introducing broker registered with the CFTC, or any Person that is exempt from such registration (or not required under Applicable Law to so register). As of the date of this Rulebook, Introducing Agents are not permitted on the Axe FX Trading Platform.

Investigation Report

The term “Investigation Report” has the meaning given to that term in Rule 703.

Legal Entity Identifier

The term “Legal Entity Identifier” means a unique code assigned to swap counterparties and entities in accordance with the standards set by the Global Legal Entity Identifier System.

Legal Team

The term “Legal Team” means the function of the Company, including any relevant external legal counsel, that is responsible for the legal and regulatory affairs of the Axe FX Trading Platform.

Limits

The term “Limits” means the limits on trading as determined by the relevant PFI, including but not limited to, product restrictions and trade volume limits. A PFI may set separate Limits for Trades via the Order Book and Trades via an RFQ. A PFI may also set Limits on the aggregate exposure it has to another PFI, which shall take precedence over any Limits applicable to a Participant. A breach of any such Limits (whether applicable to a Participant or a PFI) may prevent a Participant from entering into a Trade.

LLC Agreement

The term “LLC Agreement” means the Limited Liability Company Agreement of SpectrAxe, LLC, as amended, supplemented or otherwise modified from time to time.

Major Swap Participant

The term “Major Swap Participant” has the meaning given to that term in Section 1a(33) of the CEA.

Market Data

The term “Market Data” means any and all data and other information contained in, displayed on, generated by or derived from the Axe FX Trading Platform or transactions in Swaps entered into pursuant to these Rules, including Orders, RFQs, prices and volumes.

Market Data Vendors

The term “Market Data Vendors” means one or more vendors of financial market information which have entered into agreements with the Company to distribute Market Data.

Market Maker

The term “Market Maker” means a Participant authorized by the Company to participate in the Market Maker Program under Rule 314.

Master Agreement

The term “Master Agreement” means, as applicable, either (a) the 1992 or 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc. as may be entered into between a PFI and its customer, including any Credit Support Annex thereto or; (b) a domestic master agreement (e.g., the FBF Master Agreement from the French Banking Federation or the German Master Agreement for Financial Derivatives Transactions).

Message Traffic

The term “Message Traffic” means electronic transmissions of Orders, Order modifications, Cancel Orders, Cancel Replace Orders, RFQs, trade reports and other messages entered into the Axe FX Trading Platform by or through an Authorized User or sent to an Authorized User by the Company. Depending on the context, Message Traffic may refer to one-way or two-way transmissions.

NFA

The term “NFA” means the National Futures Association.

Nominating Committee

The term “Nominating Committee” means the committee of the Board constituted pursuant to Rule 203.

Notice to Participants

The term “Notice to Participants” means a communication sent by or on behalf of the Company to all Participants, as described in Rule 310.

Officer

The term “Officer” means any officer of the Company.

Operational Contact

The term “Operational Contact” means a natural person who is designated, pursuant to Rule 416, by a Participant to be available by telephone, or other reasonable communication method as determined by the Company, at any time

one of its Authorized Users is accessing the Axe FX Trading Platform. The Operational Contact may, but need not be, an Authorized User.

Order

The term “Order” means an actionable firm bid or offer for a Swap (i) displayed in the Order Book, (ii) transmitted as a response to an RFQ, (iii) transmitted by acceptance of a response to an RFQ or (iv) any modification thereof. The term “Order” does not include an RFQ request nor a response to an RFQ that is not a firm bid or offer.

Order Book

The term “Order Book” means the portion of the Axe FX Trading Platform in which Participants have the ability to enter Orders designated for the Order Book, observe or receive such Orders entered by other Participants, and execute such Orders.

Owner

The term “Owner” means any Person holding an ownership interest in the Company or defined as a “Member” in the LLC Agreement.

Participant

The term “Participant” refers to Swap Dealers, funds, and other such Persons with Trading Privileges. A Participant may be acting as a principal or on behalf of one or more Client Accounts, provided that the term “Participant” shall not include any such Client Accounts.

Participant Agreement

The term “Participant Agreement” means the agreement between a Participant and SpectrAxe that allows the Participant to access the Axe FX Trading Platform pursuant to the Rules. References to Participant Agreements shall include their addendums, if any, unless provided otherwise. As used herein, and unless otherwise required by the context, the term “Participant Agreement” also includes PFI Participant Agreements.

Participant Committee

The term “Participant Committee” means the committee of the Board constituted pursuant to Rule 204.

Participating Financial Institution

The term “Participating Financial Institution” (or “PFI”) means a financial institution that has been approved by the Company to enter into the Trades that a Participant, with whom the PFI has PFI/Participant Trading Documentation that establishes the connection requirement pursuant to Rule 306(a), effectuates on the Axe FX Trading Platform.

Permitted Transaction

The term “Permitted Transaction” means any transaction not involving a Swap that is required by Section 2(h)(8) of the CEA to be executed on, or pursuant to the rules of, a swap execution facility or a designated contract market.

Person

The term “Person” means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

PFI/Participant Trading Documentation

The prime brokerage agreement or other such documentation that governs the trading relationship (e.g. Master Agreement) in effect between a Participant and a PFI and allows the Participant to satisfy the PFI connection requirement in Rule 306.

PFI Facilitation Agreement

The term “PFI Facilitation Agreement” means the agreement between the Company and each PFI regarding the settlement of Trades executed by the Participants, including the establishment of Limits on the aggregate exposure a PFI may have to another PFI through the Axe FX Trading Platform.

PFI Participant Agreement

The term “PFI Participant Agreement” means the agreement between the Company and a Participant that is the same legal entity as a PFI (e.g., a trading desk of the PFI), which allows the Participant to access the Axe FX Trading Platform pursuant to the Rules. References to the PFI Participant Agreement shall include their addendums, if any, unless provided otherwise.

Pre-Execution Communication

The term “Pre-Execution Communication” means a communication between two Persons for the purpose of establishing the terms of an Order prior to entering into a Trade, including any communication that involves pre-determination of the

size, side of market, or price of such an Order; provided that any communication between two Persons that involves an agreement to enter into a Trade between the parties that legally binds the parties to such Trade shall not be considered a Pre-Execution Communication.

Proprietary Account

The term “Proprietary Account” has the meaning set forth in CFTC Regulation 1.3 (Definitions).

Proprietary Information

The term “Proprietary Information” has the meaning given to that term in Rule 1104(d).

Public Director

The term “Public Director” means a director of the Company with the qualifications described in Rule 208.

Regulatory Oversight Committee

The term “Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 205.

Reporting Counterparty

The term “Reporting Counterparty” has the meaning set forth in CFTC Regulation 45.1 (Definitions).

Required Swap Continuation Data

The term “Required Swap Continuation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

Required Swap Creation Data

The term “Required Swap Creation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

RFQ

The term “RFQ” means a request for quote sent in accordance with these Rules.

Rule

The term “Rule” means any rule adopted or amended, from time to time, by the Company related to or in respect of the operation of, or business conducted on, the Axe FX Trading Platform.

Security

The term “Security” has the meaning given to that term under Section 3(a)(10) of the Exchange Act.

Spot Stop

The term “Spot Stop” means a price parameter with respect to a given Order set by an Authorized User where if the relevant spot price goes below or above the set price parameter, as calculated by the Company’s market data provider, the Axe FX Trading Platform shall automatically cancel the Order, provided that the Order did not previously expire or a Trade was not entered into.

Swap Data Repository

The term “Swap Data Repository” (or “SDR”) means any swap data repository registered with the CFTC to which the Company may select to report, as required by and in accordance with the CEA and CFTC Regulations, the terms of the Trades executed pursuant to these Rules.

Swap Execution Facility

The term “Swap Execution Facility” (or “SEF”) ~~means the swap execution facility Axe FX Trading Platform, which is operated by the Company and registered with the CFTC~~ has the meaning given to that term in CFTC Regulation 1.3 (Definitions).

SEF Data

The term “SEF Data” means any and all data and other information related to Swap activities on the Axe FX Trading Platform or pursuant to this Rulebook, including but not limited to Market Data.

Settlement Agreement

The term “Settlement Agreement,” shall have the meaning set forth in Rule 209(c).

Standing Committee

The term “Standing Committee” means each of the Nominating Committee, the Participant Committee and the Regulatory Oversight Committee.

Swap

The term “Swap” has the meaning given to that term in Section 1a(47) of the CEA and in the CFTC Regulations promulgated thereunder (without regard to any determination by the Secretary of the Treasury pursuant to Section 1b of the CEA).

Swap Dealer

The term “Swap Dealer” has the meaning given to that term in Section 1a(49) of the CEA.

Terms Incorporated by Reference

The term “Terms Incorporated by Reference” has the meaning given to that term in Rule 1101(b)(i).

Time Stop

The term “Time Stop” means a time parameter with respect to a given Order set by an Authorized User where if the Order has not previously expired or a Trade was not entered into by the set time duration, the Axe FX Trading Platform shall automatically cancel the Order.

Trade

The term “Trade” means a Swap transaction that is executed on the Axe FX Trading Platform or subject to the Rules.

Trade Communication

The term “Trade Communication” means a written or electronic confirmation from the Company regarding the status of a Trade (*i.e.*, whether the Trade is confirmed, amended or cancelled) and with all necessary economic terms.

Trading Hours

The term “Trading Hours” means, with respect to any Swap, the hours during which the Axe FX Trading Platform is regularly open for the trading of such Swap.

Trading Privileges

The term “Trading Privileges” means the rights associated with allowing a Person to enter into Trades, such as allowing that Person’s Authorized Users to enter Orders or RFQs, respond to RFQs, enter into Trades and otherwise effect Swap transactions, whether directly or indirectly, on or pursuant to the Rules of this SpectrAxe Rulebook, either on that Person’s own behalf or on behalf of Client Accounts.

Uncleared Swap

The term “Uncleared Swap” means a Swap other than a Cleared Swap. As of the date of this Rulebook, all swaps executed on the Axe FX Trading Platform will be an Uncleared Swap.

Underlying Instrument

The term “Underlying Instrument” means, with respect to a Swap, the good, right, security, index or other asset or measure which is the subject of that Swap.

Unique Transaction Identifier

The term “Unique Transaction Identifier” or “UTI” shall have the meaning set forth in CFTC Regulation 45.5 (Unique Transaction Identifiers).

User ID

The term “User ID” means a unique identification number assigned by the Company to an Authorized User.

Rule 211

Chief Compliance Officer

- (a) The Board shall designate an individual to serve as the CCO of the Company. The CCO shall:
 - (i) report directly to the Regulatory Oversight Committee;
 - (ii) oversee and review the Company's compliance with the Core Principles set forth in Section 5h of the CEA and Part 37 of the CFTC Regulations;
 - (iii) resolve, in consultation with the Board, the Regulatory Oversight Committee or the CEO, any conflicts of interest that may arise, including:
 - (A) conflicts between business considerations and compliance requirements, including the requirement that the Company provide fair, open and impartial access in accordance with CFTC Regulation 37.202 (Access Requirements); and
 - (B) conflicts between the Company's management and members of the Board;
 - (iv) establish and administer written policies and procedures reasonably designed to prevent violations of the CEA and CFTC Regulations;
 - (v) take reasonable steps to ensure compliance with the CEA and CFTC Regulations;
 - (vi) establish procedures for the remediation of noncompliance issues identified by the CCO through Compliance Department reviews, look-backs, internal or external audit findings, self-reported errors or validated complaints;
 - (vii) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
 - (viii) establish and administer a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
 - (ix) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary

proceedings, audits, examinations, and other regulatory responsibilities with respect to Participants, Authorized Users, all Persons [and APIs](#) using any Participant's User IDs, and all other Persons subject to the jurisdiction of the Company under Rule 301, and, in addition to the foregoing in this Rule 211(a)(ix), exercise supervisory authority over all staff acting at the direction of the CCO;

- (x) provide any information regarding the Company's self-regulatory program that is requested by the Board or the Regulatory Oversight Committee;
 - (xi) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by a regulatory service provider in accordance with CFTC Regulation 37.204 (Regulatory Services Provided by a Third Party); and
 - (xii) prepare the Company's annual compliance report, in accordance with CFTC Regulation 37.1501 (Chief Compliance Officer), and submit the completed report to the Board and CFTC.
- (b) No individual disqualified from registration pursuant to Section 8a(2) or 8a(3) of the CEA may serve as CCO.

Rule 305

Authorized Users

- (a) Each Participant that is not a natural person shall appoint in writing (via electronic mail or the Company's authorization forms) at least one of its employees (or, if a Participant has no employees, ~~an agent who is a natural person~~) at least one agent or authorized contractor of the Participant) or an API to act as an Authorized User. ~~Participants may also appoint additional employees, agents, or authorized contractors who are individuals to act as Authorized Users.~~ Participants must designate which Authorized Users have Trading Privileges and which Authorized Users must access the Axe FX Trading Platform on a "view only" basis.
- (b) Any Participant that appoints an API to act as an Authorized User must identify at least one natural person (a Participant employee, agent, or authorized contractor) who shall be responsible for the actions, including the placing of any Orders or the entering of any Trades, taken by the API.
- (c) The Company may, in its sole but reasonable discretion, and acting in an impartial, transparent, fair and nondiscriminatory manner, revoke, suspend, or limit the status of ~~a Person as~~ an Authorized User, and shall promptly notify the relevant Participant in accordance with the procedures established by the Company.
- (d) A Participant may, at any time, revoke an authorization granted by it to any Authorized User or revoke an authorized User ID granted by it to any other Person by providing written notice of such revocation to the Company pursuant to Rule 415(d). Upon receipt of the written notice, the Company shall, as soon as is practicable, revoke and disable such Person's or API's access to the Axe FX Trading Platform. A Participant shall take immediate and appropriate measures to ensure that, after any such revocation, (i) the affected Person or API shall not have access to the Axe FX Trading Platform and (ii) the affected Person or API shall not utilize ~~his or her~~their User ID. The Company shall act promptly, but in any event within one business day of receiving notice from the Participant, to disallow the entry of Orders or RFQs and responses to RFQs from the revoked User IDs.
- (e) All obligations of Participants under these Rules shall also apply to each of their Authorized Users to the extent applicable, and each Participant shall be responsible for the actions and omissions of each of its Authorized Users. Each Participant shall have procedures for performing day-to-day monitoring of its Authorized Users to ensure that each Participant will conduct its business in a fair and equitable manner and in accordance with these Rules

- (ef) Each Participant will ensure, on an ongoing basis, that none of its Authorized Users are subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto) and that each Authorized User will be technically proficient in respect of the use of the Axe FX Trading Platform.

- (fg) For purposes of these Rules, any reference to (i) the Trading Privileges of a Participant shall also be deemed to refer and apply to the exercise of Trading Privileges by any of such Participant's Authorized Users and vice versa; (ii) a Participant submitting or receiving Orders or RFQs, or entering into Trades, shall be deemed to also refer and apply to any such actions engaged in by any of such Participant's Authorized Users and vice versa; and (iii) the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Authorized Users and vice versa.

Rule 306

PFI Connection Requirement

- (a) Except as stated elsewhere in this Rule 306(a), each Participant must have PFI/Participant Trading Documentation in effect with a financial institution that has executed a PFI Facilitation Agreement with the Company.
 - (i) An entity that is the same legal entity as a PFI (e.g., a trading desk of the PFI) may wish to obtain Trading Privileges. Such entities may obtain Trading Privileges provided that:
 - (A) Such entity enters into a PFI Participant Agreement with the Company; and
 - ~~(B) The PFI that is the same legal entity as such entity has a Master Agreement or comparable trading relationship documentation in place with at least two other PFIs; and~~
 - ~~(B)~~ Such entity fulfills every requirement applicable to Participants under this Rulebook other than the requirement to have PFI/Participant Trading Documentation in Rule 306(a).
- (b) A Participant must provide a copy of its PFI/Participant Trading Documentation to the Company upon request, pursuant to Rule 302(b)(ii).
- (c) When the Company is notified about a Participant that no longer fulfills the PFI connection requirement pursuant to Rule 306(a), the Company shall require the Participant to prove the establishment of a new PFI connection by submitting a new Limits notice that identifies the new PFI and the new Limits applicable to the Participant. Such Participant shall have its Trading Privileges suspended until the identification of the new PFI and a new Limits notice is submitted to the Company. At the sole discretion of the Company, a Participant may, instead of a completed Limits notice form provided by the Company, provide some other form of authorization from its new PFI that indicates the Limits applicable to the Participant.

Rule 311

Communications Between the Company and Participants or PFIs

Each Participant and PFI must provide the Company with its current electronic mail address and the electronic mail address of each of its Authorized Users and promptly update each such address whenever it changes. Each Participant and PFI may additionally provide the Company with a phone number or Bloomberg Terminal ID. All communications between the Company on the one hand and the Participant or PFI on the other hand will be transmitted by electronic mail; telephone, with confirmation by electronic mail; the Instant Bloomberg chat platform; and/or posted on the Axe FX Trading Platform or on the Company website, except as otherwise specified by the Company. Each Participant and PFI shall be responsible for conveying such communications to its Authorized Users and other Persons [\(including the natural person\(s\) responsible for any APIs\)](#) to whom the Participant or PFI has given its User ID(s). All communications made to a Participant or PFI shall also be deemed to have been made to all of its Authorized Users and other Persons [\(including the natural person\(s\) responsible for any APIs\)](#) to whom the Participant or PFI has given its User ID(s). Each Participant and PFI will also be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Company to the Participant or PFI, any of such Participant's or PFI's Authorized Users, or any Person [\(including the natural person\(s\) responsible for any APIs\)](#) to whom such Participant or PFI has given User ID(s) assigned to it by the Company.

Rule 401

Swaps Traded on the Axe FX Trading Platform

- (a) The Company shall determine which Swaps can be traded from time to time pursuant to these Rules, provided that any determination in respect of listing a Swap for trading pursuant to these Rules shall be submitted to the CFTC as required by the CEA and CFTC Regulations. As of the date of this Rulebook, the Axe FX Trading Platform will facilitate limit orders only.
- (b) Subject to compliance with the CEA and CFTC Regulations, Swaps traded on the Axe FX Trading Platform may be Uncleared Swaps. As of the date of this Rulebook, the ~~SEF~~ [Axe FX Trading Platform](#) does not permit the trading of Cleared Swaps.
- (c) The Company shall permit trading only in Swaps that are not readily susceptible to manipulation and for which the Company has, prior to listing the Swap, submitted to the CFTC the information required in Appendix C to Part 38 of the CFTC's Regulations (Demonstration of Compliance that a Contract is not Readily Susceptible to Manipulation). The Company shall make such submission pursuant to Part 40 of the CFTC's Regulations.

Rule 405

Expiration, Modification ~~or~~, and Cancellation of Orders

- (a) All Orders shall automatically expire at the close of the relevant Trading Hours.
- (b) Any Order that has been entered into the Axe FX Trading Platform may be modified or cancelled by an Authorized User unless and until a Trade is entered into or the Order otherwise expires.
- (c) A cancellation of an Order by an Authorized User shall become effective only upon:
 - (i) acceptance by the Axe FX Trading Platform of a “Cancel Order~~;~~” with respect to the original Order prior to the expiration of such Order or entering into of a Trade~~;~~; or
 - (ii) the triggering of a “Time Stop” or “Spot Stop” with respect to the original Order prior to the expiration of such Order or entering into of a Trade. The Company shall make best efforts to cancel such Order within the set time or price parameter.
- (d) The Axe FX Trading Platform shall indicate, or the Company shall otherwise communicate, that ~~at~~ the cancellation of an Order by an Authorized User is successful.
- (e) The Company will not submit or agree to submit a cancellation or correction for the purposes of re-reporting swap transaction and pricing data, including Required Swap Creation Data, in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 or Part 45 of CFTC Regulations.
- (f) If the Company modifies or cancels an Order under this Rule 405, it will do so in good faith and in a commercially reasonable manner and will provide written notice of such modification or cancellation to the affected Participants and PFIs. Nothing in this Rule shall in any way limit the authority of the Company to take action in response to an Emergency pursuant to Rule 412.

Rule 413

LIMITATION OF LIABILITY

- (a) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, NEITHER THE COMPANY, NOR ANY AFFILIATE OF THE COMPANY, NOR ANY OF THEIR RESPECTIVE MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, EQUITY HOLDERS, AGENTS, CONSULTANTS OR SERVICE PROVIDERS (INCLUDING ANY REGULATORY SERVICES PROVIDER), NOR ANY MEMBER OF ANY COMMITTEE OR OTHER GOVERNING BODY OF ANY AFFILIATE OF THE COMPANY (EACH OF THE FOREGOING, AS APPLICABLE, THE “DISCLAIMING PARTY” AND, COLLECTIVELY, “DISCLAIMING PARTIES”), SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES ARISING OUT OF OR IN CONNECTION WITH:
- (i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE AXE FX TRADING PLATFORM OR ANY OTHER SYSTEMS AND SERVICES OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION, ELECTRONIC ORDER ENTRY AND DELIVERY, [CANCELLATION OF AN ORDER THROUGH A TIME STOP OR A SPOT STOP](#), TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS AND AUTHORIZED USERS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE AND FIRMWARE RELATING THERETO; OR
 - (ii) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF ANY SYSTEM OR SERVICE OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

- (iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE COMPANY OR ANY OF THE COMPANY'S SYSTEMS, SERVICES OR FACILITIES; OR
- (iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE COMPANY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON; OR
- (v) ANY FAILURE OR ACCEPTANCE OF A TRADE BY A PARTICIPANT OR PFI; OR
- (vi) ANY BREACH OR FAILURE BY A PFI TO COMPLY WITH THE TERMS OF THE PFI FACILITATION AGREEMENT; OR
- (vii) ANY BREACH OR FAILURE BY A PARTICIPANT OR PFI TO COMPLY WITH THE TERMS OF THE APPLICABLE PARTICIPANT AGREEMENT OR LIMITS NOTICE (OR SIMILAR AUTHORIZATION OF A PARTICIPANT BY A PFI).

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM IS BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY AND NEGLIGENT MISREPRESENTATION), RESTITUTION, BREACH OF STATUTORY DUTY, BREACH OF WARRANTY OR OTHERWISE AND WITHOUT REGARD TO WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM, UNLESS THE DISCLAIMING PARTY HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE COMMODITY EXCHANGE ACT AND REGULATIONS THEREUNDER.

- (b) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE COMPANY OR ANY OTHER DISCLAIMING PARTIES RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES AND THE EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, AND THE COMPANY HEREBY SPECIFICALLY DISCLAIMS, OVERRIDES AND EXCLUDES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, CONDITIONS, OTHER CONTRACTUAL TERMS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY,

ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY THE COMPANY OR ANY OTHER DISCLAIMING PARTY OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO, AS TO TITLE, SATISFACTORY QUALITY, ACCURACY, COMPLETENESS, UNINTERRUPTED USE, NON-INFRINGEMENT, TIMELINESS, TRUTHFULNESS, SEQUENCE AND ANY IMPLIED WARRANTIES, CONDITIONS AND OTHER CONTRACTUAL TERMS ARISING FROM TRANSACTION USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM.

- (c) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNLESS THE COMPANY HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE COMPANY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT EXCEED \$100,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$1,000,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD. IN NO EVENT SHALL THE TOTAL COMBINED AGGREGATE LIABILITY OF THE DISCLAIMING PARTIES FOR ALL CLAIMS ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS OR ANY OTHER CAUSES IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE COMPANY'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, OR THE NEGLIGENCE OF THE COMPANY OR ANY DISCLAIMING PARTY EXCEED \$1,000,000 IN ANY GIVEN CALENDAR YEAR.
- (d) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNDER NO CIRCUMSTANCES SHALL THE COMPANY BE LIABLE TO A PARTICIPANT, PFI, AUTHORIZED USER, CLIENT ACCOUNT OR ANY OTHER PERSON FOR

ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY LOSS OR PUNITIVE DAMAGES OF ANY KIND, REGARDLESS OF WHETHER SUCH LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY, BREACH OF WARRANTIES OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF REVENUE, LOSS OF ACTUAL OR ANTICIPATED PROFITS, LOSS OF CONTRACTS, LOSS OF THE USE OF MONEY, LOSS OF ANTICIPATED SAVINGS, LOSS OF BUSINESS, LOSS OF OPPORTUNITY, LOSS OF MARKET SHARE, LOSS OF GOODWILL, LOSS OF REPUTATION OR LOSS OF, DAMAGE TO OR CORRUPTION OF DATA, HOWEVER SUFFERED OR INCURRED, REGARDLESS OF WHETHER THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR WHETHER SUCH DAMAGES OTHERWISE COULD HAVE BEEN FORESEEN OR PREVENTED.

- (e) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNDER NO CIRCUMSTANCES SHALL THE COMPANY BE LIABLE FOR THE ACTS, ERRORS OR OMISSIONS OF ANY THIRD PARTY, INCLUDING ANY MARKET DATA VENDOR, SDR OR DCO.
- (f) [RESERVED].
- (g) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, ANY DISPUTE ARISING OUT OF THE USE OF THE SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, IN WHICH ONE OR MORE DISCLAIMING PARTIES IS A PARTY SHALL BE ARBITRATED PURSUANT TO THESE RULES IN CHAPTER 8, AND REFERENCES IN CHAPTER 8 TO A "PARTICIPANT" SHALL, TO THE EXTENT RELEVANT, BE DEEMED FOR SUCH PURPOSE TO MEAN AND INCLUDE THE DISCLAIMING PARTIES. ANY SUCH CLAIM AGAINST A DISCLAIMING PARTY SHALL BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (F) SHALL IN NO WAY BE CONSTRUED TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THESE RULES. IF, FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY BE LITIGATED ONLY IN ACCORDANCE WITH RULE 1112.
- (h) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, NO PFI OR ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND

NOMINEES OF ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS INCURRED OR SUFFERED BY A PARTICIPANT BY ENTERING INTO A TRADE. NO PFI OR ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES OF ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS INCURRED OR SUFFERED BY A PARTICIPANT RESULTING FROM ANY ACT OR OMISSION, INCLUDING WILLFUL DEFAULT, OF THE AXE FX TRADING PLATFORM OR ANY OTHER PARTICIPANT OR AUTHORIZED USER ON THE AXE FX TRADING PLATFORM

- (i) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, NO PFI OR ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES OF ITS AFFILIATES SHALL HAVE ANY LIABILITY FOR ANY INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR LOSS OF PROFITS, LOSS OF GOODWILL, OR LOSS OF BUSINESS OPPORTUNITY.
- (j) NO PFI SHALL BE LIABLE FOR THE ACCURACY OR REASONABLENESS OF ANY DUES, ASSESSMENTS, COMMISSIONS OR FEES THAT THE COMPANY MAY CHARGE A PARTICIPANT.

Rule 415

User IDs

- (a) No Person or API may use a User ID to place any Order, RFQ or response to an RFQ except as permitted by these Rules, nor may any Person knowingly permit or assist with the unauthorized use of a User ID. Each Authorized User, Participant, PFI or any other Person (including the natural person(s) responsible for any APIs with access to the Axe FX Trading Platform) that has been authorized to access the Axe FX Trading Platform shall take reasonable measures to ensure that no assigned User ID is used by any Person or API not authorized by these Rules.
- (b) No Person or API shall submit to the Axe FX Trading Platform any Order, RFQ or response to an RFQ using the User ID of any other Person, unless the Person or API submitting the Order, RFQ or response to an RFQ is an Authorized User for that Person.
- (c) Each Participant, PFI or any other Person (including the natural person(s) responsible for any APIs with access to the Axe FX Trading Platform) that has been authorized to access the Axe FX Trading Platform shall provide in writing to the Company and keep current such information as the Company may require concerning itself and each of its Authorized Users or any other Person it permits to have direct access, including Persons who have been granted Electronic Access, to the Axe FX Trading Platform by using its User ID.
- (d) Any request that the Company activate or deactivate a User ID shall be submitted in writing ~~by~~ in the manner provided for by the Company. The Designated Contact or Operational Contact of the relevant Participant or PFI in the manner provided for by making the request to activate or deactivate a User ID must, minimally, be aware of the request, to the sole satisfaction of the Company. The Company shall have no liability for any action or inaction due to its good faith reliance upon such a written request or for any communication system failure.
- (e) Each Participant, PFI or any other Person that has been authorized to access the Axe FX Trading Platform shall notify the Compliance Department promptly upon becoming aware of:
 - (i) any unauthorized disclosure or use of any User ID assigned to it and of any other reason for deactivating a User ID assigned to it;
 - (ii) any unauthorized disclosure or use of any User ID assigned to its Authorized User and of any other reason for deactivating a User ID assigned to that Authorized User;

- (iii) any unauthorized access to the Axe FX Trading Platform by any Person [or API](#) using a User ID assigned to it; or
- (iv) any unauthorized access to the Axe FX Trading Platform by any Person [or API](#) using a User ID assigned to its Authorized User.

Rule 504

System Security

Each Participant and PFI shall (a) be solely responsible for controlling and monitoring the use of all User IDs issued to it and its Authorized Users by the Company, (b) ensure that each Person or API accessing the Axe FX Trading Platform using such User IDs is assigned a unique password and that each password is used only by the Person or API to whom it is assigned, and (c) notify the Company promptly upon becoming aware of any unauthorized disclosure or use of the User IDs or passwords or of any other reason for deactivating User IDs or passwords.

Each Participant shall be bound by any actions taken through the use of its User IDs or passwords, including entering into Trades, whether or not such actions were authorized by such Participant or any of its Authorized Users or executed by any Person or API other than an Authorized User of such Participant, except to the extent that (a) Participant has notified the Company in writing that such User ID or password should be canceled or suspended and the Company has not taken appropriate actions within a reasonable time to cancel or suspend such User ID or password, or (b) unauthorized use of the User ID or password is the direct result of gross negligence or willful misconduct by the Company.

Rule 505

Front-End User Interface; Audit Trail

- (a) Each Participant and PFI shall be solely responsible for ensuring that any front-end interface connecting to the Axe FX Trading Platform that is not provided by the Company, and that is used by the Participant, its Authorized Users, or any other Person or API using its User IDs, maintains a routing/front-end audit trail for all Orders; RFQs; responses to RFQs, including entry, modification, cancellation and responses to such messages; and Trades entered into through any gateway to the Axe FX Trading Platform, including the times thereof to the highest level of precision achievable by the Participant's or PFI's operating system, but at least to the nearest second ("Audit Trail"). Data that is so captured must not be capable of being modified.

- (b) Participants and PFIs shall maintain, or shall cause other third parties to whom they have provided connectivity to the Axe FX Trading Platform to maintain, Audit Trail data in the form and manner required by CFTC Regulations (including CFTC Regulation 37.205 (Audit Trail)) and in accordance with such additional requirements as may be established by the Company. Participants and PFIs must have the ability to produce such data, or cause such data to be produced, in a standard format upon request of the Compliance Department.

Rule 615

Recordkeeping

- (a) ~~Each Authorized User~~ Participants must ~~include~~ indicate to the Company which one of the following customer type indicator (“CTI”) codes ~~with each Order, RFQ~~ is most appropriate for its Orders, RFQs or response to ~~an RFQ~~ RFQs:
- (i) CTI 1 - Transactions initiated and executed by a Participant for its own account, for an account it controls or for an account in which it has an ownership or financial interest.
 - (ii) CTI 2 - Transactions executed for the “proprietary account” (as such term is defined in CFTC Regulation 1.3 (Definitions)) of a Participant.
 - (iii) CTI 3 - Transactions in which a Participant is trading (i) for the personal account of another Participant, (ii) for an account that is controlled by such other Participant, or (iii) for an account in which such other Participant has an ownership or financial interest.
 - (iv) CTI 4 - Any transaction not within the definition of CTI 1, 2 or 3, including transactions entered into on behalf of Participants.
- (b) CTI 2 will be the default CTI code for all Orders, RFQs or responses to RFQs but ~~each Authorized User may~~ a Participant may request that the Company assign a different CTI ~~to its Orders, RFQs or responses to RFQs~~ code to a specific Order, RFQ or response to RFQ.

Rule 701

General

- (a) All Participants subject to the Company's jurisdiction pursuant to Rule 301 are subject to this Chapter 7 if they (or any other Person or API using any of their User IDs, if any) are alleged to have violated, or to have aided and abetted a violation of, or are about to violate, any Rule or any provision of Applicable Law for which the Company possesses jurisdiction.
- (b) The Company, through the Compliance Department and the Disciplinary Panel, will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 7. Members of the Compliance Department shall not operate under the control of any Person with the ability to exercise Trading Privileges.
- (c) No Company Official or member of the Board will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action, except where such individual is a member of the Compliance Department or a member of the relevant Disciplinary Panel.
- (d) Any Person may be represented by counsel at their own expense during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7.
- (e) The Company may hold a Participant liable for, and impose sanctions against, such Participant for its own acts and omissions, the acts or omissions of its Authorized Users, or the acts or omissions of any Person or API using a User ID of such Participant or any of its Authorized Users.

Rule 903

Exercise of Options

(a) ~~(a)~~ A buyer of an option ~~who purchased an option~~ may only exercise on the date of option maturity (referred to, by the industry, as “European Options”). Currently, the only options the Axe FX Trading Platform ~~only offers~~offer are deliverable foreign currency (FX) options and non-deliverable FX options (NDOs).

(b) Exercise of Deliverable FX Options

~~(b)~~ To exercise or expire ~~an~~ deliverable FX option, a buyer of an option must provide an electronic notice through the applicable Axe FX Trading Platform functionality to the Company that states that the buyer of ~~an~~ deliverable FX option will exercise or expire ~~its~~the option (a written notice to the Company shall be acceptable only if such functionality is technically unavailable). Upon receipt of this notice, the Company shall send a notice to all affected Participants and PFIs that states that the deliverable FX option has been exercised or expired.

~~(i)~~ This option exercise provision shall supersede any other provision to the contrary in any agreement entered into by the Participants or PFIs.

(ii) If a deliverable FX option is not exercised or expired by the buyer of the option before the time of option maturity, the expiration process will be determined by an automatic process, which will be based on the reference rate at the time of option maturity relative to the option strike price. If the reference rate at the time of option maturity is above the strike price of a call, the deliverable FX option will be automatically exercised. If the reference rate at the time of option maturity is equal to or below the strike price of a call, the deliverable FX option will expire. If the reference rate at the time of option maturity is below the strike price of a put, the deliverable FX option will be automatically exercised. If the reference rate at the time of option maturity is equal to or above the strike price of a put, the deliverable FX option will expire.

(c) Exercise of NDOs

(i) If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is above the strike price of a call, the NDO will be cash-settled in accordance with the swap specifications for NDOs. If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is equal to or below the strike price of a call, the NDO will expire without any cash settlement. If the reference rate at the time of option maturity as

determined by the fixing source of the relevant currency is below the strike price of a put, the NDO will be cash-settled in accordance with the swap specifications for NDOs. If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is equal to or above the strike price of a put, the NDO will expire without any cash settlement.

- (ed) The Company shall make all commercially reasonable efforts to ensure that the anonymity of the parties involved is retained during the settlement and delivery processes, as applicable.
- ~~(d) If an option is not exercised or expired by the buyer of an option before expiration, the expiration process will be determined by an auto-exercise process, which will be based on the option strike price relative to the reference rate at expiration. If the strike price of a call is below the reference rate at expiration, the option will be automatically exercised. If the strike price of a call is equal to or above the reference rate at expiration, the option will be expired. If the strike price of a put is above the reference rate at expiration, the option will be automatically exercised. If the strike price of a put is equal to or below the reference rate at expiration, the option will be expired.~~
- (e) In no case shall the Company be responsible for the exercise of, or failure to exercise, an option.

Rule 1101

Legal Certainty; Confirmations

- (a) No Trade entered into pursuant to the Rules of this SpectrAxe Rulebook shall be void, voidable, subject to rescission, otherwise invalidated or rendered unenforceable as a result of:
 - (i) a violation by the Company of the provisions of Section 5h of the CEA or of Part 37 of the CFTC Regulations;
 - (ii) any CFTC proceeding to alter or supplement a Rule, term, or condition of the SEF under Section 8a(7) of the CEA or to declare an emergency under Section 8a(9) of the CEA; or
 - (iii) any other proceeding the effect of which is to:
 - (A) alter or supplement a specific term or condition or trading rule or procedure or
 - (B) require the Company to adopt a specific term or condition, trading rule or procedure or take or refrain from taking a specific action.
- (b) Issuance of SEF Confirmations for Trades.
 - (i) The economic terms specific to an executed Trade shall be reflected by the Company in the Trade Communications sent to the applicable Participants and PFIs. The Trade Communications shall serve as confirmations for the previously-negotiated freestanding agreement, such as a Master Agreement, between the counterparties. As such, Trade Communications must state that they incorporate by reference the terms of such agreement between the counterparties.
 - (ii) Trade Communications, for purposes of these Rules and CFTC Regulation 37.6(b) (Enforceability) and Parts 43 and 45 of CFTC Regulations, shall serve as a confirmation of the Trades and, in the event of any inconsistency between the terms specified in a Trade Communication and any other terms, including the terms in a Master Agreement between the relevant PFIs, the terms of the Trade Communication shall legally supersede all other contradictory terms.
 - (iii) Each Trade Communication shall state (A*i*) that it serves as confirmation for applicable freestanding agreements and (B*ii*) that in the event of any inconsistency between the terms of a Trade Communication and any other terms, including the terms in a Master Agreement between the

relevant PFIs, the terms of the Trade Communication shall legally supersede all other contradictory terms.

- (c) The confirmation of all terms of a Trade shall be effective as of the time of execution.
- (d) ~~In accordance with CFTC No-Action Letter 17-17, Division of Market Oversight, Extension of No-Action Relief for Swap Execution Facility Confirmation and Recordkeeping Requirements under Commodity Futures Trading Commission Regulations 37.6(b), 37.1000, 37.1001, 45.2, and 45.3(a) (Mar. 24, 2017), until the effective date of revised CFTC Regulations that establish a permanent, practicable SEF confirmation solution,~~ PFIs are not required to provide to the Company its Master Agreements with the other PFIs before their respective Participants enter into Trades, but must provide copies of such agreement to the Company upon request. Upon request from the CFTC, the Company will request a PFI to provide copies of such Master Agreements and will provide the copies to the CFTC as soon as they are available.
- (e) The Company may use a third-party service provider to issue Trade Communications to the Participants and PFIs (“Communications Agent”), provided such Communications Agent is contractually obligated to satisfy the requirements of the Company and Applicable Law. The Company shall remain responsible for providing confirmations even when utilizing a Communications Agent.

Rule 1105

Anti-Money Laundering and Anti-Terrorism

It is Company policy (a) not to engage in or knowingly assist any money laundering or other illicit business; and (b) not to engage in or knowingly assist, or be a conduit for, terrorist financing.

Participants will be required to provide to the Company sufficient information relating to Client Accounts, if applicable, for the Company to complete “know your customer” checks and to conduct restricted list searches, including searches against the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

| Summary report: Litera Compare for Word 11.5.0.74 Document comparison done on 6/14/2024 9:42:38 AM | |
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| Style name: Default Style | |
| Intelligent Table Comparison: Active | |
| Original filename: v1.docx | |
| Modified filename: Clean Version of Rules.docx | |
| Changes: | |
| Add | 93 |
| Delete | 46 |
| Move From | 0 |
| Move To | 0 |
| Table Insert | 0 |
| Table Delete | 0 |
| Table moves to | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format changes | 0 |
| Total Changes: | 139 |

Attachment C

Copy of the Amended Rules

(Rules 101, 211, 305, 306, 311, 401, 405, 413, 415, 504, 505, 615, 701, 903, 1101, and 1105)

Rule 101

Defined Terms

Unless otherwise specified in these Rules or unless the context otherwise requires, the terms defined below in this Rule 101 shall for all purposes of these Rules have the meanings specified herein.

AAA

The term “AAA” means the American Arbitration Association.

Affiliate

An “Affiliate” of, or a Person “Affiliated” with, another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

API

The term “API” means application programming interface.

Appeals Panel

The term “Appeals Panel” means a panel appointed by the CCO pursuant to Rule 716(g).

Applicable Law

The term “Applicable Law” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental authority, or self-regulatory organization applicable to such Person, including without limitation the CEA, the Exchange Act and CFTC Regulations.

Audit Trail

The term “Audit Trail” has the meaning given to that term in Rule 505(a).

Authorized User

The term “Authorized User” means any natural person who is an agent or employee of a PFI, a Participant or any other Person that has been authorized to access the Axe FX Trading Platform. In the case a computer or system is used to access the Axe FX Trading Platform via an API, the natural person designated to be responsible for such computer or system’s activity on the Axe FX Trading Platform shall be the Authorized User.

Axe FX Trading Platform

The term “Axe FX Trading Platform” (or “Axe Platform”) means the swap execution facility operated by the Company and registered with the CFTC.

Beneficial Ownership or Beneficially Owned

The term “Beneficial Ownership,” or an interest “Beneficially Owned” by any Person, means, with respect to an account, a direct or indirect (through one or more subsidiaries or Affiliates) pecuniary interest in the account (through any Swap, arrangement, understanding, relationship or otherwise).

Board

The term “Board” means the Board of Directors of the Company constituted in accordance with the LLC Agreement, these Rules and Applicable Law.

Cancel Order

The term “Cancel Order” means an Order that cancels fully or partially an existing Order.

Cancel Replace Order

The term “Cancel Replace Order” means an Order to cancel fully or partially an existing Order and replace it with a new Order for a different quantity or price.

CFTC

The term “CFTC” means the Commodity Futures Trading Commission and includes any successor agency or authority.

CFTC Regulation

The term “CFTC Regulation” means any rule, regulation, order or directive and any published interpretation thereof adopted or promulgated from time to time by the CFTC.

Chief Compliance Officer

The term “Chief Compliance Officer” (or “CCO”) means the individual appointed by the Board from time to time to oversee compliance matters in accordance with Rule 211.

Chief Executive Officer

The term “Chief Executive Officer” (or “CEO”) means the individual appointed by the Board from time to time to serve as chief executive officer of the Company.

Chief Operating Officer

The term “Chief Operating Officer” (or “COO”) means the individual appointed by the Board from time to time to serve as chief operations officer of the Company.

Cleared Swap

The term “Cleared Swap” means a Swap that is required to be cleared by a DCO pursuant to Section 2(h)(1) of the CEA and CFTC Regulation 50.2 (Treatment of Swaps Subject to a Clearing Requirement) or is otherwise designated by or on behalf of the parties to be submitted to a DCO for clearing, including a New Swap/Old Terms or New Swap/Corrected Terms, including any such Swap that is rejected from clearing by the applicable DCO. As of the date of this Rulebook, the Axe FX Trading Platform does not offer Cleared Swaps.

Client Account

The term “Client Account” means a Person that has granted investment discretion to trade on its behalf.

Commodity Exchange Act

The term “Commodity Exchange Act” (or “CEA”) means the law set forth at 7 U.S.C. § 1, *et. seq.*

Company

The term “Company” will be SpectrAxe, LLC.

Company Official

The term “Company Official” means any Officer of, or individual employed directly by, the Company or any individual rendering similar services on behalf of the Company under a secondment agreement.

Compliance Department

The term “Compliance Department” means the CCO and the individuals under the supervision of the CCO who are responsible for enforcing these Rules and conducting investigations of alleged violations of these Rules. As the term is used herein, the Compliance Department includes: (i) the Company’s compliance staff dedicated to enforcing these Rules and performing services directly related to the

Company's compliance with Applicable Law and (ii) employees of other divisions of the Company or its Affiliates who have certain regulatory responsibilities with respect to the Company.

Control

The term "Control," including the terms "Controlling," "Controlled by" and "under common Control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

Derivatives Clearing Organization

The term "Derivatives Clearing Organization" (or "DCO") has the meaning given to that term in Section 1a(15) of the CEA. For the avoidance of doubt, the Company does not submit Uncleared Swaps to a DCO and does not have any agreement or arrangement with a DCO for Uncleared Swaps.

Designated Contact

The term "Designated Contact" means a natural person who is designated, pursuant to Rule 416, by a Participant or PFI with the authority to receive Notices and other communications from the Company to the Participant or PFI. The Designated Contact may, but need not be, an Authorized User.

Director

The term "Director" means any member of the Board.

Disciplinary Offense

The term "Disciplinary Offense" shall have the meaning set forth in Rule 209(c).

Disciplinary Panel

The term "Disciplinary Panel" means the panel appointed pursuant to Rule 710 to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 717), to make findings, render decisions, and impose sanctions pursuant to Chapter 7 of the Rules.

Electronic Access

The term "EA" or "Electronic Access" means electronic access to the Axe FX Trading Platform's Order Book and execution functionality through direct electronic connection.

Eligible Contract Participant

The term “Eligible Contract Participant” (or “ECP”) has the meaning given to that term under Section 1a(18) of the CEA and CFTC Regulations thereunder.

Emergency

The term “Emergency” has the meaning given to that term in Rule 412(a).

Exchange Act or Securities Exchange Act of 1934

The term “Exchange Act” of “Securities Exchange Act of 1934” means the law set forth at 15 U.S.C. § 78a, *et. seq.*

Final Decision

The term “Final Decision” shall have the meaning set forth in Rule 209(c).

Introducing Agent

The term “Introducing Agent” means a futures commission merchant or introducing broker registered with the CFTC, or any Person that is exempt from such registration (or not required under Applicable Law to so register). As of the date of this Rulebook, Introducing Agents are not permitted on the Axe FX Trading Platform.

Investigation Report

The term “Investigation Report” has the meaning given to that term in Rule 703.

Legal Entity Identifier

The term “Legal Entity Identifier” means a unique code assigned to swap counterparties and entities in accordance with the standards set by the Global Legal Entity Identifier System.

Legal Team

The term “Legal Team” means the function of the Company, including any relevant external legal counsel, that is responsible for the legal and regulatory affairs of the Axe FX Trading Platform.

Limits

The term “Limits” means the limits on trading as determined by the relevant PFI, including but not limited to, product restrictions and trade volume limits. A PFI may set separate Limits for Trades via the Order Book and Trades via an RFQ. A PFI

may also set Limits on the aggregate exposure it has to another PFI, which shall take precedence over any Limits applicable to a Participant. A breach of any such Limits (whether applicable to a Participant or a PFI) may prevent a Participant from entering into a Trade.

LLC Agreement

The term “LLC Agreement” means the Limited Liability Company Agreement of SpectrAxe, LLC, as amended, supplemented or otherwise modified from time to time.

Major Swap Participant

The term “Major Swap Participant” has the meaning given to that term in Section 1a(33) of the CEA.

Market Data

The term “Market Data” means any and all data and other information contained in, displayed on, generated by or derived from the Axe FX Trading Platform or transactions in Swaps entered into pursuant to these Rules, including Orders, RFQs, prices and volumes.

Market Data Vendors

The term “Market Data Vendors” means one or more vendors of financial market information which have entered into agreements with the Company to distribute Market Data.

Market Maker

The term “Market Maker” means a Participant authorized by the Company to participate in the Market Maker Program under Rule 314.

Master Agreement

The term “Master Agreement” means, as applicable, either (a) the 1992 or 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc. as may be entered into between a PFI and its customer, including any Credit Support Annex thereto or; (b) a domestic master agreement (e.g., the FBF Master Agreement from the French Banking Federation or the German Master Agreement for Financial Derivatives Transactions).

Message Traffic

The term “Message Traffic” means electronic transmissions of Orders, Order modifications, Cancel Orders, Cancel Replace Orders, RFQs, trade reports and

other messages entered into the Axe FX Trading Platform by or through an Authorized User or sent to an Authorized User by the Company. Depending on the context, Message Traffic may refer to one-way or two-way transmissions.

NFA

The term “NFA” means the National Futures Association.

Nominating Committee

The term “Nominating Committee” means the committee of the Board constituted pursuant to Rule 203.

Notice to Participants

The term “Notice to Participants” means a communication sent by or on behalf of the Company to all Participants, as described in Rule 310.

Officer

The term “Officer” means any officer of the Company.

Operational Contact

The term “Operational Contact” means a natural person who is designated, pursuant to Rule 416, by a Participant to be available by telephone, or other reasonable communication method as determined by the Company, at any time one of its Authorized Users is accessing the Axe FX Trading Platform. The Operational Contact may, but need not be, an Authorized User.

Order

The term “Order” means an actionable firm bid or offer for a Swap (i) displayed in the Order Book, (ii) transmitted as a response to an RFQ, (iii) transmitted by acceptance of a response to an RFQ or (iv) any modification thereof. The term “Order” does not include an RFQ request nor a response to an RFQ that is not a firm bid or offer.

Order Book

The term “Order Book” means the portion of the Axe FX Trading Platform in which Participants have the ability to enter Orders designated for the Order Book, observe or receive such Orders entered by other Participants, and execute such Orders.

Owner

The term “Owner” means any Person holding an ownership interest in the Company or defined as a “Member” in the LLC Agreement.

Participant

The term “Participant” refers to Swap Dealers, funds, and other such Persons with Trading Privileges. A Participant may be acting as a principal or on behalf of one or more Client Accounts, provided that the term “Participant” shall not include any such Client Accounts.

Participant Agreement

The term “Participant Agreement” means the agreement between a Participant and SpectrAxe that allows the Participant to access the Axe FX Trading Platform pursuant to the Rules. References to Participant Agreements shall include their addendums, if any, unless provided otherwise. As used herein, and unless otherwise required by the context, the term “Participant Agreement” also includes PFI Participant Agreements.

Participant Committee

The term “Participant Committee” means the committee of the Board constituted pursuant to Rule 204.

Participating Financial Institution

The term “Participating Financial Institution” (or “PFI”) means a financial institution that has been approved by the Company to enter into the Trades that a Participant, with whom the PFI has PFI/Participant Trading Documentation that establishes the connection requirement pursuant to Rule 306(a), effectuates on the Axe FX Trading Platform.

Permitted Transaction

The term “Permitted Transaction” means any transaction not involving a Swap that is required by Section 2(h)(8) of the CEA to be executed on, or pursuant to the rules of, a swap execution facility or a designated contract market.

Person

The term “Person” means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

PFI/Participant Trading Documentation

The prime brokerage agreement or other such documentation that governs the trading relationship (e.g. Master Agreement) in effect between a Participant and a PFI and allows the Participant to satisfy the PFI connection requirement in Rule 306.

PFI Facilitation Agreement

The term “PFI Facilitation Agreement” means the agreement between the Company and each PFI regarding the settlement of Trades executed by the Participants, including the establishment of Limits on the aggregate exposure a PFI may have to another PFI through the Axe FX Trading Platform.

PFI Participant Agreement

The term “PFI Participant Agreement” means the agreement between the Company and a Participant that is the same legal entity as a PFI (e.g., a trading desk of the PFI), which allows the Participant to access the Axe FX Trading Platform pursuant to the Rules. References to the PFI Participant Agreement shall include their addendums, if any, unless provided otherwise.

Pre-Execution Communication

The term “Pre-Execution Communication” means a communication between two Persons for the purpose of establishing the terms of an Order prior to entering into a Trade, including any communication that involves pre-determination of the size, side of market, or price of such an Order; provided that any communication between two Persons that involves an agreement to enter into a Trade between the parties that legally binds the parties to such Trade shall not be considered a Pre-Execution Communication.

Proprietary Account

The term “Proprietary Account” has the meaning set forth in CFTC Regulation 1.3 (Definitions).

Proprietary Information

The term “Proprietary Information” has the meaning given to that term in Rule 1104(d).

Public Director

The term “Public Director” means a director of the Company with the qualifications described in Rule 208.

Regulatory Oversight Committee

The term “Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 205.

Reporting Counterparty

The term “Reporting Counterparty” has the meaning set forth in CFTC Regulation 45.1 (Definitions).

Required Swap Continuation Data

The term “Required Swap Continuation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

Required Swap Creation Data

The term “Required Swap Creation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

RFQ

The term “RFQ” means a request for quote sent in accordance with these Rules.

Rule

The term “Rule” means any rule adopted or amended, from time to time, by the Company related to or in respect of the operation of, or business conducted on, the Axe FX Trading Platform.

Security

The term “Security” has the meaning given to that term under Section 3(a)(10) of the Exchange Act.

Spot Stop

The term “Spot Stop” means a price parameter with respect to a given Order set by an Authorized User where if the relevant spot price goes below or above the set price parameter, as calculated by the Company’s market data provider, the Axe FX Trading Platform shall automatically cancel the Order, provided that the Order did not previously expire or a Trade was not entered into.

Swap Data Repository

The term “Swap Data Repository” (or “SDR”) means any swap data repository registered with the CFTC to which the Company may select to report, as required

by and in accordance with the CEA and CFTC Regulations, the terms of the Trades executed pursuant to these Rules.

Swap Execution Facility

The term “Swap Execution Facility” (or “SEF”) has the meaning given to that term in CFTC Regulation 1.3 (Definitions).

SEF Data

The term “SEF Data” means any and all data and other information related to Swap activities on the Axe FX Trading Platform or pursuant to this Rulebook, including but not limited to Market Data.

Settlement Agreement

The term “Settlement Agreement,” shall have the meaning set forth in Rule 209(c).

Standing Committee

The term “Standing Committee” means each of the Nominating Committee, the Participant Committee and the Regulatory Oversight Committee.

Swap

The term “Swap” has the meaning given to that term in Section 1a(47) of the CEA and in the CFTC Regulations promulgated thereunder (without regard to any determination by the Secretary of the Treasury pursuant to Section 1b of the CEA).

Swap Dealer

The term “Swap Dealer” has the meaning given to that term in Section 1a(49) of the CEA.

Terms Incorporated by Reference

The term “Terms Incorporated by Reference” has the meaning given to that term in Rule 1101(b)(i).

Time Stop

The term “Time Stop” means a time parameter with respect to a given Order set by an Authorized User where if the Order has not previously expired or a Trade

was not entered into by the set time duration, the Axe FX Trading Platform shall automatically cancel the Order.

Trade

The term “Trade” means a Swap transaction that is executed on the Axe FX Trading Platform or subject to the Rules.

Trade Communication

The term “Trade Communication” means a written or electronic confirmation from the Company regarding the status of a Trade (*i.e.*, whether the Trade is confirmed, amended or cancelled) and with all necessary economic terms.

Trading Hours

The term “Trading Hours” means, with respect to any Swap, the hours during which the Axe FX Trading Platform is regularly open for the trading of such Swap.

Trading Privileges

The term “Trading Privileges” means the rights associated with allowing a Person to enter into Trades, such as allowing that Person’s Authorized Users to enter Orders or RFQs, respond to RFQs, enter into Trades and otherwise effect Swap transactions, whether directly or indirectly, on or pursuant to the Rules of this SpectrAxe Rulebook, either on that Person’s own behalf or on behalf of Client Accounts.

Uncleared Swap

The term “Uncleared Swap” means a Swap other than a Cleared Swap. As of the date of this Rulebook, all swaps executed on the Axe FX Trading Platform will be an Uncleared Swap.

Underlying Instrument

The term “Underlying Instrument” means, with respect to a Swap, the good, right, security, index or other asset or measure which is the subject of that Swap.

Unique Transaction Identifier

The term “Unique Transaction Identifier” or “UTI” shall have the meaning set forth in CFTC Regulation 45.5 (Unique Transaction Identifiers).

User ID

The term “User ID” means a unique identification number assigned by the Company to an Authorized User.

Rule 211

Chief Compliance Officer

- (a) The Board shall designate an individual to serve as the CCO of the Company. The CCO shall:
 - (i) report directly to the Regulatory Oversight Committee;
 - (ii) oversee and review the Company's compliance with the Core Principles set forth in Section 5h of the CEA and Part 37 of the CFTC Regulations;
 - (iii) resolve, in consultation with the Board, the Regulatory Oversight Committee or the CEO, any conflicts of interest that may arise, including:
 - (A) conflicts between business considerations and compliance requirements, including the requirement that the Company provide fair, open and impartial access in accordance with CFTC Regulation 37.202 (Access Requirements); and
 - (B) conflicts between the Company's management and members of the Board;
 - (iv) establish and administer written policies and procedures reasonably designed to prevent violations of the CEA and CFTC Regulations;
 - (v) take reasonable steps to ensure compliance with the CEA and CFTC Regulations;
 - (vi) establish procedures for the remediation of noncompliance issues identified by the CCO through Compliance Department reviews, look-backs, internal or external audit findings, self-reported errors or validated complaints;
 - (vii) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
 - (viii) establish and administer a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
 - (ix) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations, and other regulatory responsibilities

with respect to Participants, Authorized Users, all Persons and APIs using any Participant's User IDs, and all other Persons subject to the jurisdiction of the Company under Rule 301, and, in addition to the foregoing in this Rule 211(a)(ix), exercise supervisory authority over all staff acting at the direction of the CCO;

- (x) provide any information regarding the Company's self-regulatory program that is requested by the Board or the Regulatory Oversight Committee;
 - (xi) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by a regulatory service provider in accordance with CFTC Regulation 37.204 (Regulatory Services Provided by a Third Party); and
 - (xii) prepare the Company's annual compliance report, in accordance with CFTC Regulation 37.1501 (Chief Compliance Officer), and submit the completed report to the Board and CFTC.
- (b) No individual disqualified from registration pursuant to Section 8a(2) or 8a(3) of the CEA may serve as CCO.

Rule 305

Authorized Users

- (a) Each Participant that is not a natural person shall appoint in writing (via electronic mail or the Company's authorization forms) at least one of its employees (or, if a Participant has no employees, at least one agent or authorized contractor of the Participant) or an API to act as an Authorized User. Participants must designate which Authorized Users have Trading Privileges and which Authorized Users must access the Axe FX Trading Platform on a "view only" basis.
- (b) Any Participant that appoints an API to act as an Authorized User must identify at least one natural person (a Participant employee, agent, or authorized contractor) who shall be responsible for the actions, including the placing of any Orders or the entering of any Trades, taken by the API.
- (c) The Company may, in its sole but reasonable discretion, and acting in an impartial, transparent, fair and nondiscriminatory manner, revoke, suspend, or limit the status of an Authorized User, and shall promptly notify the relevant Participant in accordance with the procedures established by the Company.
- (d) A Participant may, at any time, revoke an authorization granted by it to any Authorized User or revoke an authorized User ID granted by it to any other Person by providing written notice of such revocation to the Company pursuant to Rule 415(d). Upon receipt of the written notice, the Company shall, as soon as is practicable, revoke and disable such Person's or API's access to the Axe FX Trading Platform. A Participant shall take immediate and appropriate measures to ensure that, after any such revocation, (i) the affected Person or API shall not have access to the Axe FX Trading Platform and (ii) the affected Person or API shall not utilize their User ID. The Company shall act promptly, but in any event within one business day of receiving notice from the Participant, to disallow the entry of Orders or RFQs and responses to RFQs from the revoked User IDs.
- (e) All obligations of Participants under these Rules shall also apply to each of their Authorized Users to the extent applicable, and each Participant shall be responsible for the actions and omissions of each of its Authorized Users. Each Participant shall have procedures for performing day-to-day monitoring of its Authorized Users to ensure that each Participant will conduct its business in a fair and equitable manner and in accordance with these Rules
- (f) Each Participant will ensure, on an ongoing basis, that none of its Authorized Users are subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto) and that each Authorized User will be technically proficient in respect of the use of the Axe FX Trading Platform.

- (g) For purposes of these Rules, any reference to (i) the Trading Privileges of a Participant shall also be deemed to refer and apply to the exercise of Trading Privileges by any of such Participant's Authorized Users and vice versa; (ii) a Participant submitting or receiving Orders or RFQs, or entering into Trades, shall be deemed to also refer and apply to any such actions engaged in by any of such Participant's Authorized Users and vice versa; and (iii) the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Authorized Users and vice versa.

Rule 306

PFI Connection Requirement

- (a) Except as stated elsewhere in this Rule 306(a), each Participant must have PFI/Participant Trading Documentation in effect with a financial institution that has executed a PFI Facilitation Agreement with the Company.
 - (i) An entity that is the same legal entity as a PFI (e.g., a trading desk of the PFI) may wish to obtain Trading Privileges. Such entities may obtain Trading Privileges provided that:
 - (A) Such entity enters into a PFI Participant Agreement with the Company; and
 - (B) Such entity fulfills every requirement applicable to Participants under this Rulebook other than the requirement to have PFI/Participant Trading Documentation in Rule 306(a).
- (b) A Participant must provide a copy of its PFI/Participant Trading Documentation to the Company upon request, pursuant to Rule 302(b)(ii).
- (c) When the Company is notified about a Participant that no longer fulfills the PFI connection requirement pursuant to Rule 306(a), the Company shall require the Participant to prove the establishment of a new PFI connection by submitting a new Limits notice that identifies the new PFI and the new Limits applicable to the Participant. Such Participant shall have its Trading Privileges suspended until the identification of the new PFI and a new Limits notice is submitted to the Company. At the sole discretion of the Company, a Participant may, instead of a completed Limits notice form provided by the Company, provide some other form of authorization from its new PFI that indicates the Limits applicable to the Participant.

Rule 311

Communications Between the Company and Participants or PFIs

Each Participant and PFI must provide the Company with its current electronic mail address and the electronic mail address of each of its Authorized Users and promptly update each such address whenever it changes. Each Participant and PFI may additionally provide the Company with a phone number or Bloomberg Terminal ID. All communications between the Company on the one hand and the Participant or PFI on the other hand will be transmitted by electronic mail; telephone, with confirmation by electronic mail; the Instant Bloomberg chat platform; and/or posted on the Axe FX Trading Platform or on the Company website, except as otherwise specified by the Company. Each Participant and PFI shall be responsible for conveying such communications to its Authorized Users and other Persons (including the natural person(s) responsible for any APIs) to whom the Participant or PFI has given its User ID(s). All communications made to a Participant or PFI shall also be deemed to have been made to all of its Authorized Users and other Persons (including the natural person(s) responsible for any APIs) to whom the Participant or PFI has given its User ID(s). Each Participant and PFI will also be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Company to the Participant or PFI, any of such Participant's or PFI's Authorized Users, or any Person (including the natural person(s) responsible for any APIs) to whom such Participant or PFI has given User ID(s) assigned to it by the Company.

Rule 401

Swaps Traded on the Axe FX Trading Platform

- (a) The Company shall determine which Swaps can be traded from time to time pursuant to these Rules, provided that any determination in respect of listing a Swap for trading pursuant to these Rules shall be submitted to the CFTC as required by the CEA and CFTC Regulations. As of the date of this Rulebook, the Axe FX Trading Platform will facilitate limit orders only.
- (b) Subject to compliance with the CEA and CFTC Regulations, Swaps traded on the Axe FX Trading Platform may be Uncleared Swaps. As of the date of this Rulebook, the Axe FX Trading Platform does not permit the trading of Cleared Swaps.
- (c) The Company shall permit trading only in Swaps that are not readily susceptible to manipulation and for which the Company has, prior to listing the Swap, submitted to the CFTC the information required in Appendix C to Part 38 of the CFTC's Regulations (Demonstration of Compliance that a Contract is not Readily Susceptible to Manipulation). The Company shall make such submission pursuant to Part 40 of the CFTC's Regulations.

Rule 405

Expiration, Modification, and Cancellation of Orders

- (a) All Orders shall automatically expire at the close of the relevant Trading Hours.
- (b) Any Order that has been entered into the Axe FX Trading Platform may be modified or cancelled by an Authorized User unless and until a Trade is entered into or the Order otherwise expires.
- (c) A cancellation of an Order by an Authorized User shall become effective only upon:
 - (i) acceptance by the Axe FX Trading Platform of a “Cancel Order” with respect to the original Order prior to the expiration of such Order or entering into of a Trade; or
 - (ii) the triggering of a “Time Stop” or “Spot Stop” with respect to the original Order prior to the expiration of such Order or entering into of a Trade. The Company shall make best efforts to cancel such Order within the set time or price parameter.
- (d) The Axe FX Trading Platform shall indicate, or the Company shall otherwise communicate, that the cancellation of an Order by an Authorized User is successful.
- (e) The Company will not submit or agree to submit a cancelation or correction for the purposes of re-reporting swap transaction and pricing data, including Required Swap Creation Data, in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 or Part 45 of CFTC Regulations.
- (f) If the Company modifies or cancels an Order under this Rule 405, it will do so in good faith and in a commercially reasonable manner and will provide written notice of such modification or cancellation to the affected Participants and PFIs. Nothing in this Rule shall in any way limit the authority of the Company to take action in response to an Emergency pursuant to Rule 412.

Rule 413

LIMITATION OF LIABILITY

- (a) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, NEITHER THE COMPANY, NOR ANY AFFILIATE OF THE COMPANY, NOR ANY OF THEIR RESPECTIVE MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, EQUITY HOLDERS, AGENTS, CONSULTANTS OR SERVICE PROVIDERS (INCLUDING ANY REGULATORY SERVICES PROVIDER), NOR ANY MEMBER OF ANY COMMITTEE OR OTHER GOVERNING BODY OF ANY AFFILIATE OF THE COMPANY (EACH OF THE FOREGOING, AS APPLICABLE, THE "DISCLAIMING PARTY" AND, COLLECTIVELY, "DISCLAIMING PARTIES"), SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES ARISING OUT OF OR IN CONNECTION WITH:
- (i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE AXE FX TRADING PLATFORM OR ANY OTHER SYSTEMS AND SERVICES OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION, ELECTRONIC ORDER ENTRY AND DELIVERY, CANCELLATION OF AN ORDER THROUGH A TIME STOP OR A SPOT STOP, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS AND AUTHORIZED USERS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE AND FIRMWARE RELATING THERETO; OR
 - (ii) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF ANY SYSTEM OR SERVICE OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

- (iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE COMPANY OR ANY OF THE COMPANY'S SYSTEMS, SERVICES OR FACILITIES; OR
- (iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE COMPANY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON; OR
- (v) ANY FAILURE OR ACCEPTANCE OF A TRADE BY A PARTICIPANT OR PFI; OR
- (vi) ANY BREACH OR FAILURE BY A PFI TO COMPLY WITH THE TERMS OF THE PFI FACILITATION AGREEMENT; OR
- (vii) ANY BREACH OR FAILURE BY A PARTICIPANT OR PFI TO COMPLY WITH THE TERMS OF THE APPLICABLE PARTICIPANT AGREEMENT OR LIMITS NOTICE (OR SIMILAR AUTHORIZATION OF A PARTICIPANT BY A PFI).

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM IS BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY AND NEGLIGENT MISREPRESENTATION), RESTITUTION, BREACH OF STATUTORY DUTY, BREACH OF WARRANTY OR OTHERWISE AND WITHOUT REGARD TO WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM, UNLESS THE DISCLAIMING PARTY HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE COMMODITY EXCHANGE ACT AND REGULATIONS THEREUNDER.

- (b) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE COMPANY OR ANY OTHER DISCLAIMING PARTIES RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES AND THE EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, AND THE COMPANY HEREBY SPECIFICALLY DISCLAIMS, OVERRIDES AND EXCLUDES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, CONDITIONS, OTHER CONTRACTUAL TERMS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ARISING BY LAW,

CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY THE COMPANY OR ANY OTHER DISCLAIMING PARTY OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO, AS TO TITLE, SATISFACTORY QUALITY, ACCURACY, COMPLETENESS, UNINTERRUPTED USE, NON-INFRINGEMENT, TIMELINESS, TRUTHFULNESS, SEQUENCE AND ANY IMPLIED WARRANTIES, CONDITIONS AND OTHER CONTRACTUAL TERMS ARISING FROM TRANSACTION USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM.

- (c) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNLESS THE COMPANY HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE COMPANY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT EXCEED \$100,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$1,000,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD. IN NO EVENT SHALL THE TOTAL COMBINED AGGREGATE LIABILITY OF THE DISCLAIMING PARTIES FOR ALL CLAIMS ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS OR ANY OTHER CAUSES IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE COMPANY'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, OR THE NEGLIGENCE OF THE COMPANY OR ANY DISCLAIMING PARTY EXCEED \$1,000,000 IN ANY GIVEN CALENDAR YEAR.
- (d) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNDER NO CIRCUMSTANCES SHALL THE COMPANY BE LIABLE TO A PARTICIPANT, PFI, AUTHORIZED USER, CLIENT ACCOUNT OR ANY OTHER PERSON FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY LOSS OR PUNITIVE DAMAGES OF ANY KIND, REGARDLESS OF WHETHER

SUCH LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY, BREACH OF WARRANTIES OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF REVENUE, LOSS OF ACTUAL OR ANTICIPATED PROFITS, LOSS OF CONTRACTS, LOSS OF THE USE OF MONEY, LOSS OF ANTICIPATED SAVINGS, LOSS OF BUSINESS, LOSS OF OPPORTUNITY, LOSS OF MARKET SHARE, LOSS OF GOODWILL, LOSS OF REPUTATION OR LOSS OF, DAMAGE TO OR CORRUPTION OF DATA, HOWEVER SUFFERED OR INCURRED, REGARDLESS OF WHETHER THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR WHETHER SUCH DAMAGES OTHERWISE COULD HAVE BEEN FORESEEN OR PREVENTED.

- (e) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, UNDER NO CIRCUMSTANCES SHALL THE COMPANY BE LIABLE FOR THE ACTS, ERRORS OR OMISSIONS OF ANY THIRD PARTY, INCLUDING ANY MARKET DATA VENDOR, SDR OR DCO.
- (f) [RESERVED].
- (g) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, INCLUDING THE PFI FACILITATION AGREEMENT, ANY DISPUTE ARISING OUT OF THE USE OF THE SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE AXE FX TRADING PLATFORM, IN WHICH ONE OR MORE DISCLAIMING PARTIES IS A PARTY SHALL BE ARBITRATED PURSUANT TO THESE RULES IN CHAPTER 8, AND REFERENCES IN CHAPTER 8 TO A "PARTICIPANT" SHALL, TO THE EXTENT RELEVANT, BE DEEMED FOR SUCH PURPOSE TO MEAN AND INCLUDE THE DISCLAIMING PARTIES. ANY SUCH CLAIM AGAINST A DISCLAIMING PARTY SHALL BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (F) SHALL IN NO WAY BE CONSTRUED TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THESE RULES. IF, FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY BE LITIGATED ONLY IN ACCORDANCE WITH RULE 1112.
- (h) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, NO PFI OR ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES OF ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS INCURRED OR SUFFERED BY A PARTICIPANT BY ENTERING INTO A TRADE. NO PFI OR

ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES OF ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS INCURRED OR SUFFERED BY A PARTICIPANT RESULTING FROM ANY ACT OR OMISSION, INCLUDING WILLFUL DEFAULT, OF THE AXE FX TRADING PLATFORM OR ANY OTHER PARTICIPANT OR AUTHORIZED USER ON THE AXE FX TRADING PLATFORM

- (i) EXCEPT AS OTHERWISE PROVIDED IN THIS RULE OR SEPARATE CONTRACT, NO PFI OR ITS AFFILIATES; DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES; OR THE DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AGENTS AND NOMINEES OF ITS AFFILIATES SHALL HAVE ANY LIABILITY FOR ANY INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR LOSS OF PROFITS, LOSS OF GOODWILL, OR LOSS OF BUSINESS OPPORTUNITY.
- (j) NO PFI SHALL BE LIABLE FOR THE ACCURACY OR REASONABLENESS OF ANY DUES, ASSESSMENTS, COMMISSIONS OR FEES THAT THE COMPANY MAY CHARGE A PARTICIPANT.

Rule 415

User IDs

- (a) No Person or API may use a User ID to place any Order, RFQ or response to an RFQ except as permitted by these Rules, nor may any Person knowingly permit or assist with the unauthorized use of a User ID. Each Authorized User, Participant, PFI or any other Person (including the natural person(s) responsible for any APIs with access to the Axe FX Trading Platform) that has been authorized to access the Axe FX Trading Platform shall take reasonable measures to ensure that no assigned User ID is used by any Person or API not authorized by these Rules.
- (b) No Person or API shall submit to the Axe FX Trading Platform any Order, RFQ or response to an RFQ using the User ID of any other Person, unless the Person or API submitting the Order, RFQ or response to an RFQ is an Authorized User for that Person.
- (c) Each Participant, PFI or any other Person (including the natural person(s) responsible for any APIs with access to the Axe FX Trading Platform) that has been authorized to access the Axe FX Trading Platform shall provide in writing to the Company and keep current such information as the Company may require concerning itself and each of its Authorized Users or any other Person it permits to have direct access, including Persons who have been granted Electronic Access, to the Axe FX Trading Platform by using its User ID.
- (d) Any request that the Company activate or deactivate a User ID shall be submitted in writing in the manner provided for by the Company. The Designated Contact or Operational Contact of the Participant or PFI making the request to activate or deactivate a User ID must, minimally, be aware of the request, to the sole satisfaction of the Company. The Company shall have no liability for any action or inaction due to its good faith reliance upon such a written request or for any communication system failure.
- (e) Each Participant, PFI or any other Person that has been authorized to access the Axe FX Trading Platform shall notify the Compliance Department promptly upon becoming aware of:
 - (i) any unauthorized disclosure or use of any User ID assigned to it and of any other reason for deactivating a User ID assigned to it;
 - (ii) any unauthorized disclosure or use of any User ID assigned to its Authorized User and of any other reason for deactivating a User ID assigned to that Authorized User;
 - (iii) any unauthorized access to the Axe FX Trading Platform by any Person or API using a User ID assigned to it; or

- (iv) any unauthorized access to the Axe FX Trading Platform by any Person or API using a User ID assigned to its Authorized User.

Rule 504

System Security

Each Participant and PFI shall (i) be solely responsible for controlling and monitoring the use of all User IDs issued to it and its Authorized Users by the Company, (ii) ensure that each Person or API accessing the Axe FX Trading Platform using such User IDs is assigned a unique password and that each password is used only by the Person or API to whom it is assigned, and (iii) notify the Company promptly upon becoming aware of any unauthorized disclosure or use of the User IDs or passwords or of any other reason for deactivating User IDs or passwords.

Each Participant shall be bound by any actions taken through the use of its User IDs or passwords, including entering into Trades, whether or not such actions were authorized by such Participant or any of its Authorized Users or executed by any Person or API other than an Authorized User of such Participant, except to the extent that (i) Participant has notified the Company in writing that such User ID or password should be canceled or suspended and the Company has not taken appropriate actions within a reasonable time to cancel or suspend such User ID or password, or (ii) unauthorized use of the User ID or password is the direct result of gross negligence or willful misconduct by the Company.

Rule 505

Front-End User Interface; Audit Trail

- (a) Each Participant and PFI shall be solely responsible for ensuring that any front-end interface connecting to the Axe FX Trading Platform that is not provided by the Company, and that is used by the Participant, its Authorized Users, or any other Person or API using its User IDs, maintains a routing/front-end audit trail for all Orders; RFQs; responses to RFQs, including entry, modification, cancellation and responses to such messages; and Trades entered into through any gateway to the Axe FX Trading Platform, including the times thereof to the highest level of precision achievable by the Participant's or PFI's operating system, but at least to the nearest second ("Audit Trail"). Data that is so captured must not be capable of being modified.

- (b) Participants and PFIs shall maintain, or shall cause other third parties to whom they have provided connectivity to the Axe FX Trading Platform to maintain, Audit Trail data in the form and manner required by CFTC Regulations (including CFTC Regulation 37.205 (Audit Trail)) and in accordance with such additional requirements as may be established by the Company. Participants and PFIs must have the ability to produce such data, or cause such data to be produced, in a standard format upon request of the Compliance Department.

Rule 615

Recordkeeping

- (a) Participants must indicate to the Company which one of the following customer type indicator (“CTI”) codes is most appropriate for its Orders, RFQs or response to RFQs:
 - (i) CTI 1 - Transactions initiated and executed by a Participant for its own account, for an account it controls or for an account in which it has an ownership or financial interest.
 - (ii) CTI 2 - Transactions executed for the “proprietary account” (as such term is defined in CFTC Regulation 1.3 (Definitions)) of a Participant.
 - (iii) CTI 3 - Transactions in which a Participant is trading (i) for the personal account of another Participant, (ii) for an account that is controlled by such other Participant, or (iii) for an account in which such other Participant has an ownership or financial interest.
 - (iv) CTI 4 - Any transaction not within the definition of CTI 1, 2 or 3, including transactions entered into on behalf of Participants.
- (b) CTI 2 will be the default CTI code for all Orders, RFQs or responses to RFQs but a Participant may request that the Company assign a different CTI code to a specific Order, RFQ or response to RFQ.

Rule 701

General

- (a) All Participants subject to the Company's jurisdiction pursuant to Rule 301 are subject to this Chapter 7 if they (or any other Person or API using any of their User IDs, if any) are alleged to have violated, or to have aided and abetted a violation of, or are about to violate, any Rule or any provision of Applicable Law for which the Company possesses jurisdiction.
- (b) The Company, through the Compliance Department and the Disciplinary Panel, will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 7. Members of the Compliance Department shall not operate under the control of any Person with the ability to exercise Trading Privileges.
- (c) No Company Official or member of the Board will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action, except where such individual is a member of the Compliance Department or a member of the relevant Disciplinary Panel.
- (d) Any Person may be represented by counsel at their own expense during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7.
- (e) The Company may hold a Participant liable for, and impose sanctions against, such Participant for its own acts and omissions, the acts or omissions of its Authorized Users, or the acts or omissions of any Person or API using a User ID of such Participant or any of its Authorized Users.

Rule 903

Exercise of Options

(a) A buyer of an option may only exercise on the date of option maturity (referred to, by the industry, as “European Options”). Currently, the only options the Axe FX Trading Platform offer are deliverable foreign currency (FX) options and non-deliverable FX options (NDOs).

(b) Exercise of Deliverable FX Options

(i) To exercise or expire a deliverable FX option, a buyer of an option must provide an electronic notice through the applicable Axe FX Trading Platform functionality to the Company that states that the buyer of a deliverable FX option will exercise or expire the option (a written notice to the Company shall be acceptable only if such functionality is technically unavailable). Upon receipt of this notice, the Company shall send a notice to all affected Participants and PFIs that states that the deliverable FX option has been exercised or expired.

This option exercise provision shall supersede any other provision to the contrary in any agreement entered into by the Participants or PFIs.

(ii) If a deliverable FX option is not exercised or expired by the buyer of the option before the time of option maturity, the expiration process will be determined by an automatic process, which will be based on the reference rate at the time of option maturity relative to the option strike price. If the reference rate at the time of option maturity is above the strike price of a call, the deliverable FX option will be automatically exercised. If the reference rate at the time of option maturity is equal to or below the strike price of a call, the deliverable FX option will expire. If the reference rate at the time of option maturity is below the strike price of a put, the deliverable FX option will be automatically exercised. If the reference rate at the time of option maturity is equal to or above the strike price of a put, the deliverable FX option will expire.

(c) Exercise of NDOs

(i) If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is above the strike price of a call, the NDO will be cash-settled in accordance with the swap specifications for NDOs. If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is equal to or below the strike price of a call, the NDO will expire without any cash settlement. If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is below the strike price of a put, the NDO

will be cash-settled in accordance with the swap specifications for NDOs. If the reference rate at the time of option maturity as determined by the fixing source of the relevant currency is equal to or above the strike price of a put, the NDO will expire without any cash settlement.

- (d) The Company shall make all commercially reasonable efforts to ensure that the anonymity of the parties involved is retained during the settlement and delivery processes, as applicable.
- (e) In no case shall the Company be responsible for the exercise of, or failure to exercise, an option.

Rule 1101

Legal Certainty; Confirmations

- (a) No Trade entered into pursuant to the Rules of this SpectrAxe Rulebook shall be void, voidable, subject to rescission, otherwise invalidated or rendered unenforceable as a result of:
 - (i) a violation by the Company of the provisions of Section 5h of the CEA or of Part 37 of the CFTC Regulations;
 - (ii) any CFTC proceeding to alter or supplement a Rule, term, or condition of the SEF under Section 8a(7) of the CEA or to declare an emergency under Section 8a(9) of the CEA; or
 - (iii) any other proceeding the effect of which is to:
 - (A) alter or supplement a specific term or condition or trading rule or procedure or
 - (B) require the Company to adopt a specific term or condition, trading rule or procedure or take or refrain from taking a specific action.
- (b) Issuance of SEF Confirmations for Trades.
 - (i) The economic terms specific to an executed Trade shall be reflected by the Company in the Trade Communications sent to the applicable Participants and PFIs. The Trade Communications shall serve as confirmations for the previously-negotiated freestanding agreement, such as a Master Agreement, between the counterparties. As such, Trade Communications must state that they incorporate by reference the terms of such agreement between the counterparties.
 - (ii) Trade Communications, for purposes of these Rules and CFTC Regulation 37.6(b) (Enforceability) and Parts 43 and 45 of CFTC Regulations, shall serve as a confirmation of the Trades and, in the event of any inconsistency between the terms specified in a Trade Communication and any other terms, including the terms in a Master Agreement between the relevant PFIs, the terms of the Trade Communication shall legally supersede all other contradictory terms.
 - (iii) Each Trade Communication shall state (i) that it serves as confirmation for applicable freestanding agreements and (ii) that in the event of any inconsistency between the terms of a Trade Communication and any other terms, including the terms in a Master Agreement between the relevant

PFIs, the terms of the Trade Communication shall legally supersede all other contradictory terms.

- (c) The confirmation of all terms of a Trade shall be effective as of the time of execution.
- (d) PFIs are not required to provide to the Company its Master Agreements with the other PFIs before their respective Participants enter into Trades, but must provide copies of such agreement to the Company upon request. Upon request from the CFTC, the Company will request a PFI to provide copies of such Master Agreements and will provide the copies to the CFTC as soon as they are available.
- (e) The Company may use a third-party service provider to issue Trade Communications to the Participants and PFIs (“Communications Agent”), provided such Communications Agent is contractually obligated to satisfy the requirements of the Company and Applicable Law. The Company shall remain responsible for providing confirmations even when utilizing a Communications Agent.

Rule 1105

Anti-Money Laundering and Anti-Terrorism

It is Company policy (i) not to engage in or knowingly assist any money laundering or other illicit business; and (ii) not to engage in or knowingly assist, or be a conduit for, terrorist financing.

Participants will be required to provide to the Company sufficient information relating to Client Accounts, if applicable, for the Company to complete “know your customer” checks and to conduct restricted list searches, including searches against the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.