# GLENEAGLE SECURITIES (Aust) PTY LTD

# OPERATING PROCEDURES

## EFFECTIVE DATE: JUNE 1, 2020

**Gleneagle Securities (Aust) Pty Ltd**

Level 27 25 Bligh Street

Sydney NSW 2000

# OPERATING PROCEDURES

## 1.    Overview

Gleneagle Securities (Aust) Pty Ltd. ("Gleneagle") offers its clients a global electronic communication network ("ECN") trading platform ("Platform") from which to execute transactions in spot-settled foreign exchange and certain spot-settled precious metal products. The Platform operates two separate and distinct matching engines located in New York and London (located at data centres NY4 and LD4, respectively). Each matching engine emits its own market data, trades, and midpoint values. Gleneagle may add additional data centres and matching engines from time to time in its discretion without updating these Operating Procedures. Orders placed on the Platform will continue to be governed by these Operating Procedures, except as otherwise agreed to in writing directly with a User.

The Platform does not permit transactions in "swaps," as defined by the Commodity Futures Trading Commission ("CFTC"). Users must have the ability to effect physical delivery with respect to transactions occurring via the Platform; the transactions occurring on the Platform are not rolled as a matter of course; and any netting will only be done in accordance with a pre-negotiated netting agreement. Gleneagle is not responsible for compliance by Users with regulatory obligations applicable to swap dealers or otherwise imposed by rules of the CFTC.

These Operating Procedures are incorporated into the legal agreements between Gleneagle and its clients, including participating financial institutions ("PFI's"; together with trading clients, "Users"). Compliance with these Operating Procedures is required under these legal agreements and is a condition for transacting on the Platform. Different rules and procedures apply to consumers of other Gleneagle products and services. These Operating Procedures may be amended at any time by Gleneagle in accordance with the terms of a User's legal agreement with Gleneagle. Users are responsible for promptly notifying Gleneagle by email to supportgp@gleneagle.com.au of any account administrative changes (e.g., changes to corporate name or controlling ownership, updates to contact information or designation of authorized signatories) and completing the documentation reasonably requested by Gleneagle to effectuate such changes. *Gleneagle may make administrative changes to the terms of these Operating Procedures, such as updating its hours of operation, contact information and website links by posting the updated information on its website or directly notifying Users, without amending these Gleneagle Operating Procedures.*

Information about Platform features are made available from time to time on the Gleneagle website at www.gleneagle.com.au/Tradertools . This information is made available for general informational purposes only, and may be changed at any time without notice. Users should be aware that the information may not be updated immediately, and questions about Platform features should be directed to Gleneagle.

Gleneagle reserves the right to restrict or suspend a User's access to and use of the Platform if Gleneagle determines in its sole discretion that a User's activity fails to conform to these Operating Procedures, or if a User violates the terms of any other agreement with Gleneagle or applicable law or regulation.

## 2.    Hours of Operation

Trading hours for the Platform are from Sunday at 5:30 p.m. Eastern Time to Friday at 5:00 p.m. Eastern Time, with daily maintenance scheduled from 5:00 p.m. Eastern Time to 5:30 p.m. Eastern Time, during which time FIX sessions will be disconnected and the GUI will be

inaccessible. The Platform has no trading hours on Christmas Day and New Year's Day, Eastern Time.. References to Eastern Time are to New York City local time.

Gleneagle's support desk can be reached at **+1 (212) 202 1948** or by email to supportgp@gleneagle.com.au from Sunday at 5:30 p.m. Eastern Time to Friday at 5:00 p.m. Eastern Time, excluding Christmas Day and New Year's Day, Eastern Time.

**3.     Access Methods**

Users that access the Platform by way of application program interface ("API") provided by Gleneagle will need to complete certification to the API in order to receive production credentials. Users must (i) keep Gleneagle fully informed at all times of the identity of each software program or system that directly or indirectly accesses the API, and (ii) only provide access to the API to those software programs and systems that have been previously approved by Gleneagle in writing (such requests and approvals may be submitted and granted by e-mail at supportgp@gleneagle.com.au). Users may also choose to transact on the Platform by GUI provided by Gleneagle.

**4.     Data Dissemination; Anonymity**

Gleneagle makes available to its Users market data, consisting of relevant quotes, and also provides each User with post-trade data relevant to its transactions. Users may receive market data via the GUI, API, or user download via web client portal or secure Amazon cloud. Except as otherwise agreed to by the relevant Users (in connection with disclosed bilateral trading), Gleneagle discloses party information in aggregated and anonymized form only, and in accordance with Gleneagle's agreements with Users. In disclosed bilateral trading, the identities of the counterparties are known.

In connection with its use of the Platform, every User accessing the Platform via API receives an anonymous numeric client identifier for each counterparty with which it executes trades as well as a contra settlement bank code. Liquidity Providers receive an anonymous numeric client identifier of the counterparty before the execution of orders from Gleneagle. API clients can request that their assigned unique anonymous numeric client identifier not be shared with liquidity providers. Gleneagle shall accommodate such users by utilizing a generic anonymous numeric client identifier.

As part of Gleneagle's suite of product offerings, Gleneagle may disseminate market data in aggregated and anonymized form only, and in accordance with Gleneagle's agreements with Users.

**5.     Order Types**

The TraderTools API supports both Market Orders and Limit Orders.

Gleneagle may add or change order types supported by the Platform without notice. Please visit http://www.gleneagle.com.au/Tradertools to check for updates.

## 6. Liquidity

*Liquidity Types*

The Gleneagle ECN utilizes two (2) types of liquidity types as follows:

- Passive Order Liquidity are orders resting in the order book and are executed immediately upon arrival of the opposite side order. Passive Order Liquidity has no last look.
- Aggressive Quote Driven Liquidity is provided by liquidity providing market makers and gives the market maker the ability to fill or reject (last look) before execution.

Gleneagle offers Users a choice with regards to liquidity. By default, Gleneagle Users are configured to receive both Passive Order Liquidity and Aggressive Quote Driven Liquidity. *Users can opt out from interacting with Aggressive Quote Driven Liquidity (for all currency pairs or for select currency pairs) by contacting Gleneagle's Liquidity Management group at* liquidity@gleneagle.com.au.

*Liquidity Configuration*

Users may interact with a customized set of liquidity, which may be set and changed at Gleneagle's discretion based on several factors, such as:

(i)     **User access method i.e. API and GUI;**
(ii)    **User defined type of liquidity (passive no last look/ aggressive last look);**
(iii)   **User defined strategy;**
(iv)   **User-defined counterparty preference;**
(v)    **historical fill rates;**
(vi)   **historical market impact; and**
(vii)  **any other aspect that Gleneagle may determine relevant in the future.**

## 7. Central Clearing Counterparty

Central Counterparty ("CCP") refers to one or more intermediary counterparties identified and used by Gleneagle to provide central counterparty clearing and settlement services in respect of the User's transactions on the Platform. For more information, please contact Gleneagle Sales at sales@gleneagle.com.au.

## 8. Market Protections

The Platform contains mechanisms designed to protect Users against excessive quoting and other errors.

Features of the Platform designed to provide additional protections to Users include:

- Fat Finger Check - Rejection of orders exceeding a pre-determined notional currency.

- Open Order Limit - Rejection of new orders if a User has more than five (5) open orders for the same currency pair or precious metal at any given time.

- Disabling Quote Providers - Disabling a quote provider if a provider takes more than the maximum allowed response time (an email notification will automatically be sent).

- Disabling Quote Providers - Disabling a quote provider if a provider takes more than the maximum allowed response time of 250ms. An email notification will automatically be sent. ( Gleneagle may alter the maximum response time in its discretion on 20 business days written notice to the Participant)

- Inverted Orders - Two orders will not be matched if the result would be an inverted top of book that is greater than the absolute value of the mid-price of the prevailing currency pair by 0.0125% for orders and 0.05% for quotes.

- Pre-trade Credit Check - Using the Platform's pre-trade credit check application, counterparties, including those counterparties that serve as prime broker to other Users, may manage and monitor their own open positions with other prime brokers, and the open positions their prime brokerage Users have entered into through the Platform. Prime brokers may also use the pre-trade credit check system to establish and manage trading limits for themselves or their prime brokerage Users. Trading limits are based on Net Open Position ("NOP"). The system automatically generates an email alert to the relevant User when open positions reach 70% of the established Daily Settlement Limit ("DSL"), NOP limit, 90% of established NOP limit and 100% of NOP limit. The system is configured to reject all orders that would breach 100% of NOP limits. The pre-trade credit application can be licensed to the prime broker and users upon request.

Certain features may be configurable at the User's request. Gleneagle may add additional market protections and update the features and configurations described above or on the Website without notice, in order to maintain, in its reasonable discretion, a fair and orderly market. Questions on Platform Market Protections should be directed to supportgp@gleneagle.com.au.

**9.    Market Disruption Event**

Where there is a material disruption on the Platform, including malfunctions of the Platform, attempts to commit market abuse, failure by a third party that is required for the Platform, suspension or termination by CCP, an emergency or extraordinary market conditions, or a force majeure event, Gleneagle may take such actions it deems necessary to restore the proper operation of the Platform. In the event of a system failure where the Platform experiences a service loss, open orders will be cancelled regardless of their time in force ("TIF"). Orders that were filled but not yet confirmed will be considered filled. Please contact supportgp@gleneagle.com.au. regarding any questions. Material market disruptions effecting orders and transactions are further addressed in Section 11 below.

**10.    Transaction Review Policy**

a.    **Categories of Transactions subject to review**

Categories of transactions subject to review and Gleneagle dispute resolution processes include Impermissible Transactions and Off-Market Transactions.

*Impermissible Transactions*

In the event that a User has entered into a transaction and: (i) the counterparty is not an authorized Gleneagle User, (ii) as a result of the User entering into such transaction, the User exceeds any applicable credit limit, or (iii) the product and/or currency and/or tenor that is the

subject of such transaction is not permitted. In the event Gleneagle or a User believes a transaction was an Impermissible Transaction, Gleneagle has the right to determine whether the transaction was an Impermissible Transaction, and if so, to cancel the transaction.

*Off-Market Transactions*

Off-Market Transactions are transactions that are not in line with other prices dealt for trades executed on by other Users at or around the time of the transaction.

Gleneagle may also reference non-executed prices available on the Platform around the time of the transaction. The prevailing market is determined by Gleneagle, based on a relevant rate published by Bloomberg (source BGN) or, if not available, EBS or, if not available, Refinitiv or, if not available, a commercially reasonable rate agreed upon by both parties in writing. If a User or Gleneagle believes a transaction constituted an Off-Market Transaction, either the User or Gleneagle may initiate a transaction review pursuant to this Transaction Review Policy.

b. **Initiation of Transaction Review**

*Transaction Reviews Initiated by Users or Prime Brokers*

Users may submit a request to Gleneagle. Each request will be considered on a case-by-case basis and in the sole discretion of Gleneagle.

Users must submit requests to review a transaction by contacting Gleneagle within 20 minutes  of execution of such transaction at **+1 (212) 202 1948** or supportgp@gleneagle.com.au., and requesting that the transaction be reviewed pursuant to the Transaction Review Policy. Prime brokers may submit a request to review a transaction within the time period set forth in the Participating Financial Institution (PFI) Addendum or other similar legal agreement, or if no time period is stated in the PFI Addendum, a reasonable time after execution or the transaction. User's review request must include the following information:

- Time of order entry;
- Time of execution;
- Currency pair;
- Notional value;
- Side;
- Price;
- Relevant circumstances.

If a series of transactions are affected, a single request for review submitted to Gleneagle identifying all of the series is acceptable.

Requests received more than 20 minutes after execution may be reviewed depending on the facts and circumstances surrounding such request; however, Gleneagle reserves the right to decline to review any request not submitted within this time period. Gleneagle further reserves the right to initiate review of transactions, regardless of whether a User has submitted a request for review.

In the event the counterparty to the cancelled transaction disputes the right of the prime broker to have the Platform cancel such transaction, the dispute will be resolved in accordance with the trade dispute process set out below (Transaction Review Policy, Section 11).

*Transaction Reviews Initiated by Gleneagle*

If Gleneagle determines in its sole discretion that circumstances warrant a review of a transaction, Gleneagle may initiate a review of such transaction, regardless of whether or not the User has submitted a review request order.  However, Gleneagle is not under any obligation to review any transaction and shall not be liable for any failure to do so.

c. **Cancellation of Transactions**

Where a transaction is entered into as the result of a clerical or operational error and the affected User(s) (and/or the Central Dealer, where applicable) notify Gleneagle of their consent to cancel the transaction(s), then Operator shall cancel the Transaction(s).

Gleneagle may also cancel a transaction which is clearly erroneous or where Gleneagle reasonably determines may damage the fairness, stability or integrity of the Platform.

Following any cancellation of one or more transactions pursuant to this Section 10, the affected User(s) shall take such actions as may be necessary to effect such cancellation in accordance with their existing agreements or as may be required by normal market convention.

**11.** **Reviewing and Resolving Disputes ("Transaction Review Policy")**

Gleneagle will use its good faith efforts to contact each of the counterparties to a transaction under a review initiated by either the User or Gleneagle ("Disputed Transaction" or "Reviewed Transaction") Gleneagle will use reasonable efforts to protect the anonymity of the parties to a Disputed Transaction, although Gleneagle may provide relevant data to each party in its efforts to have the parties to the Disputed Transaction reach a mutually acceptable result.

Gleneagle will review relevant information available to it to resolve the Disputed Transaction. For example, if the Disputed Transaction is related to an Off-Market Transaction, Gleneagle will review available data to determine the market rate for similar transactions executed at the time of the Disputed Transaction. Among the information that Gleneagle may consider are pricing data from the Platform and similar markets, oral interviews with the parties to the Disputed Transaction, and discussion with market professionals not involved in the Disputed Transaction.

Gleneagle will use good faith efforts, to assist the parties to the Disputed Transaction to arrive at a resolution which is reasonably acceptable to those parties, and to Gleneagle's interest in conducting an orderly market. In the event the parties do not timely agree upon a reasonable resolution with respect to a transaction disputed by the parties, Gleneagle may, in its discretion, determine upon the resolution for the Disputed Transaction which is binding upon the parties. Possible resolutions of Disputed Transactions include, but are not limited to, an agreement by the parties to the Disputed Transaction to modify one or more of its terms, or Gleneagle's determination to uphold the Disputed Transaction as executed or Gleneagles determination to void the Disputed Transaction.

A final determination will be made by Gleneagle in its sole discretion and will be made as soon as reasonably possible. The parties expressly acknowledge and agree to Gleneagle's authority to take such action, and that Gleneagle has no liability for acting in accordance with the terms of this Transaction Review Policy regardless of whether the parties to the transaction reach a mutually agreed resolution. Gleneagle will promptly provide e-mail notification of a determination to the parties involved in a Reviewed Transaction.

Use of the Platform constitutes acceptance of Gleneagle's right to resolve Reviewed Transactions in accordance with this Transaction Review Policy.

12. **Market Conduct**

*Standard of Conduct*

Each User shall observe high standards of integrity, conduct and fair dealing, and act with all due skill, care and diligence, when accessing or using the Platform.

*Prohibited Trading Practices*

It shall be a violation of these Operating Procedures for a User to engage in any of the following activities:

- making a fraudulent or misleading communication in relation to one or more contracts listed for trading on the Platform;
- engaging in any action that creates, or is likely to create, a misleading impression of one or more contracts listed for trading on the Platform;
- causing, or entering into, any fictitious or non-competitive transaction on, or through the facilities of, the Platform;
- submitting an order with fictitious economic terms;
- engaging in any action which is likely to upset the equilibrium of the market for a contract, or creating conditions in which prices do not reflect fair values;
- engaging in any action that is likely to damage the fairness, stability or integrity of the Platform, or to bring the Platform or Gleneagle into disrepute;
- manipulating, or attempting to manipulate, the market for a contract or otherwise engaging in any action that appears to have the primary purpose of causing market confusion or frustrating the orderly operation of the Platform;
- being in breach of, or causing Gleneagle or the Platform to be in breach of, applicable law;
- entering into orders to overload, delay, or disrupt the Platform; and
- entering into orders with the intent to "Spoof" the market by cancelling the orders before execution.

No User shall make any knowing misstatement of material fact to Gleneagle or any of Gleneagle's directors, officers, agents or employees.

*Market Convention*

Users and shall follow applicable market conventions for any matters or activities not otherwise covered by these Operating Procedures.

13. **Suspension / Termination**

*In General*

Gleneagle monitors the behaviour of Users in relation to their access to, and use of, the Platform.

Gleneagle may, in its sole and absolute discretion, suspend, terminate, or otherwise impose conditions on a User's ability to access the Platform in the following circumstances:

- User is in breach of the Rules; such Participant has failed to pay any fees due to Gleneagle within thirty days of the date of the relevant invoice;
- Users is unable to comply with its obligations to settle transactions executed on, or through the facilities of, the Platform;

- Gleneagle has received notice from the prime broker that its provision of services to such User is suspended, terminated or otherwise subject to conditions;
- User is subject to an enforcement or other proceeding by a relevant regulatory authority; or
- such action is, in Gleneagles reasonable opinion, necessary to preserve the security or integrity of the Platform and/or to protect User.

*Consequences of Suspension / Termination*

From the time that a User's suspension or termination is effective:

- all rights and privileges of such User terminate, including its right to access the Platform;
- such User must immediately withdraw all unmatched orders and/or prices submitted;
- such User must remove, return or destroy its connection to the Platform.

For the avoidance of doubt, following any such suspension or termination, the affected User remains liable for:

- all transactions, and any other contractual obligations in respect of contracts, entered into by such User prior to such suspension or termination; and
- any accrued but unbilled or unpaid fees incurred prior to such suspension or termination.

14. **Recording of Conversations**

Gleneagle may record telephone calls to the Gleneagle offices for business purposes. Recorded calls will be identified by announcement, a recurring tone, or similar indication. Parties to recorded conversations will be deemed to have consented to such recordings.

15. **Compliance**

Users are required to comply with U.S., E.U., and other applicable export control and sanctions laws and regulations at all times and will not be permitted to use the Platform if: (i) any of its owners, directors, workers or employees is a person whose name appears on the list of Specially Designated Nations and Blocked Persons published by the United States Department of Treasury Office of Foreign Assets Control ("OFAC") (each, an "OFAC-Listed Person), the United Kingdom's HM Treasury Sanction List, the European Union's Consolidated Sanctions List, or any other applicable sanctions list; (ii) User or any owner or senior manager of User is a department, agency or instrumentality of, or is otherwise directly or indirectly controlled by or acting for on behalf of the government of any country that is the target of any of the several economic sanction programs administered by OFAC (31 C.F.R. Parts 501 through 598) or any OFAC-Listed Person; or (iii) any of the funds used by User to perform any of its obligations constitute or will constitute funds obtained from or on behalf of any OFAC- Listed Person or any Blocked Person or any other person subject to applicable sanctions.

Each User is required to comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and any other anti-bribery or anti-corruption laws existing in the jurisdiction in which such User does business. Each User agrees that it will not, directly or indirectly, offer, pay, solicit, receive or condone any form of a bribe or payment of money or other thing of value to government officials, political parties or party officials, candidates for political office, any other person while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any of the aforementioned persons or organizations, or any other person

for the purposes of making a bribe, for the purposes of improperly influencing or obtaining an improper advantage in connection with obtaining or retaining business.

16. **Miscellaneous**

*Regulatory Co-Operation*

Gleneagle will report any significant breaches of the Operating Procedures, disorderly trading conditions or conduct which gives rise to a suspicion of market abuse to the relevant regulatory authority, if any.

Gleneagle will provide full assistance to, and may also supply any relevant information without delay to the relevant regulatory authority, if any. Gleneagle will comply with applicable law and any request of a relevant regulatory authority.

*Force Majeure*

Notwithstanding any other provision of these Operating Procedures or any other agreement, Gleneagle shall not be obligated to perform its obligations under these Operating Procedures or to compensate any person for losses occasioned by any delay or failure of performance, to the extent that the delay or failure of performance is the result of circumstances that Gleneagle determines, in its sole discretion, may have an adverse effect upon the functions and facilities of the Platform, including but not limited to Acts of God, fire or other natural disasters, bomb threats, acts of war, severely inclement weather, or the withdrawal of services by one or more prime brokers.

*Governing Law*

These Operating Procedures will be construed in accordance with and governed by the laws of Australia. The parties hereby submit to the non-exclusive jurisdiction of the Courts of New South Wales in relation to any legal action or proceeding arising out of or in connection with these Operating Procedures.