

**Date**

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**SPECTRUM RULEBOOK**

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## **Introduction to the Rulebook**

SPECTRUM is a Multilateral Trading Facility for the trading of Financial Instruments. The Rules regulate the organization of the infrastructure and the market functioning approved under German law. SPECTRUM provides to its Members a fully automated trading platform for the conclusion of Transactions on Financial Instruments. It sets the conduct of business and operations when Members make use of the SPECTRUM trading infrastructure.

The Rules govern the trading of Members on SPECTRUM and include:

- the Rulebook as set out in this document as amended by the Operator from time to time;
- the Membership Agreement which is entered into by each Member that wishes to engage in the trading on SPECTRUM;
- the Market Maker Agreement which is entered into by each Market Making Member (in addition to the Membership Agreement) that wishes to pursue a market making strategy on SPECTRUM; and
- the Liquidity Provider Agreement which is entered into by each Market Making Member (in addition to the Membership Agreement) that wishes to pursue a liquidity provision strategy on SPECTRUM.

This Rulebook sets out rules for membership in, and trading on SPECTRUM that all Members must abide by as Members of the SPECTRUM platform. It also sets out the powers of the Operator with respect to the activity on SPECTRUM.

The Membership Agreement is a binding legal agreement between each Member and the Operator. Most importantly, it binds the Members to the Rulebook and sets out the legal obligations as between the Members and the Operator.

In addition to the Membership Agreement to be entered by all Members, the Market Maker Agreement or Liquidity Provider Agreement is a binding legal agreement between each Market Making Member and the Operator. Most importantly, it sets out the legal obligations as between the Market Making Members and the Operator.

The Trading Manual will be published by the Operator on its Website as a user guide for the Members of SPECTRUM and will set out the practical steps that any Member needs to take in order to ensure it can undertake its trading activity effectively and in accordance with the Rules.

For more information on SPECTRUM and any information above, please visit, [www.spectrum-markets.com](http://www.spectrum-markets.com).

## 1 Definitions

**Affiliated Company** means (i) a company in the group of companies which is directly or indirectly controlled by the Operator, (ii) a company which directly or indirectly controls the Operator or (iii) a company in which any of the former companies holds a participating interest (*Beteiligung*) as defined in Section 271 para. 1 of the German Commercial Code (*Handelsgesetzbuch*).

**Aggressive Order** means an Order which can be matched immediately upon its entry in the Order Book.

**Aggressive Quote** means a Quote which can be matched immediately upon its entry in the Order Book and is not a response to a Request for Execution.

**Algorithmic Trading** means, for the purposes of trading on SPECTRUM only, trading in Financial Instruments where a computer algorithm automatically determines individual parameters of Orders or Quotes such as whether to initiate the Order or Quote, the timing, price or quantity of the Order or Quote and how to manage the Order or Quote after its submission, with limited or no human intervention, and does not include any System that is only used for the purpose of routing Orders and Quotes to SPECTRUM or for the processing of Orders and Quotes involving no determination of any trading parameters or for the confirmation of Orders, Quotes or the post-trade processing of executed Transactions.

**Applicable Regulations** means all applicable regulations, statutory provisions and other rules, regulations and measures, and any official interpretations as in force from time to time, including, but not limited to, those of:

- (a) any organisation through which the Transaction is matched, executed, cleared, or settled; and
- (b) any relevant Regulator, governmental authority, regulatory or self-regulatory organisation;

in each case as amended from time to time.

**Authorised User** means any individual who is specifically authorised (*bevollmächtigt*) to act on the Member's behalf to participate on SPECTRUM which includes the entering into Transactions on the Member's behalf.

**BaFin** means the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

**Business Day** means a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

**Client** means a person with respect to which a Member provides brokerage services relating to Financial Instruments traded on SPECTRUM.

**Confidential Information** has the meaning given to it in Rule 17.1.

**CRD IV** means Regulation (EU) No 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms as amended from time to time.

**CRR** means Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended from time to time.

**CSD** means a central securities depository as defined in Article 2 (1) CSDR.

**CSDR** means Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories as amended from time to time.

**Direct Electronic Access** means an arrangement where a Member permits a Client to use its trading code so that the Client can electronically transmit Orders relating to a Financial Instrument directly to SPECTRUM and includes arrangements which involve the use by a Client of the infrastructure of the Member, or any System provided by the Member, to transmit the Orders.

**Disclosing Party** has the meaning given to it in Rule 17.3(a).

**Disruptive Market Event** means any of the following:

- (a) a disruption or malfunction of any technical system or other facility used in connection with SPECTRUM;
- (b) any form of Prohibited Behaviour;
- (c) a breach of the Rules or any Applicable Regulations;
- (d) any market disruption (including excessive price volatility) which renders or rendered impossible or impracticable the orderly determination of prices on SPECTRUM;
- (e) any Force Majeure Event; or
- (f) any other extraordinary market condition (including Special Market Conditions) or circumstance that materially impairs or impaired the proper operation of the orderly conduct of business on or the integrity of SPECTRUM.

**EEA** means the European Economic Area.

**EEA Member State** means a member state of the EEA.

**Electronic Trading Service** has the meaning given to it in Rule 3.4.

**Electronic Trading Services Outage Event** means that

- (a) problems with network connectivity (including internet connections) have significant impact on the Electronic Trading Services;
- (b) any device or service not provided by the Operator is not functioning;
- (c) the Operator detects a virus, ransom ware, Trojan horses, hacker attacks or any other threat which is not unlikely to endanger the availability, confidentiality, integrity or authenticity of the Electronic Trading Services for as long as the Operator requires to eliminate such threat;
- (d) the Electronic Trading Services are maintained by the Operator and the Operator has posted a Website Notice specifying the time period during which such maintenance measures are undertaken and to which extent the Electronic Trading Services are available during such period; or
- (e) any other events not falling into the sphere of the Operator.

**Eligibility Criteria** means the relevant membership criteria for Members set out in Rule 5.7 (General Membership Eligibility Criteria) and Rule 5.10 (Market Making Membership Eligibility Criteria).

**Eligible Financial Instrument** means an instrument which is a MIFID Instrument and meets the following criteria:

- (a) it has an international securities identification number (ISIN);
- (b) its issuer or in case of funds, it and its management company have a Legal Entity Identifier (LEI);
- (c) it is freely tradeable (which is the case if it can be traded between Members and subsequently transferred without restrictions);
- (d) the orderly fulfilment of the transactions is guaranteed; and
- (e) its trading is not prohibited under the Applicable Regulations.

**Fee Schedule** means the fee schedules as published on the Website at any given time setting out all fees, charges and all other sums payable by a Member in respect of SPECTRUM.

**Financial Instrument** means an Eligible Financial Instrument included to trading by the Operator as per Rule 4.1.

**Financial Instrument Applicant** means an issuer of an Eligible Financial Instrument or a Market Making Member which applies for the listing of an Eligible Financial Instrument to trading on SPECTRUM.

**“Fill or Kill Order”** or **“FOK Order”** means an Order which will be immediately executed in full or cancelled.

**Firm Quote** means a Quote that, under the Rules, can be matched against an opposite Order.

**Force Majeure Event** means an event which is not foreseeable, not avoidable and extraordinary (as determined by the Operator in its reasonable opinion), where an emergency or exceptional market condition exist, and includes any act, event or occurrence (including without limitation any strike, riot or civil commotion, act of terrorism, war, industrial action, acts and regulations of any governmental or supranational bodies or authorities) that prevents the Operator from maintaining an orderly market in one or more of the Financial Instruments or in respect of SPECTRUM.

**“Good Until Cancel Order”** or **“GTC Order”** means an Order which will remain available for execution on the Order Book until it is filled or cancelled.

**“Good Until Date Order”** or **“GTD Order”** means an Order which will remain available for execution on the Order Book until a specified date or it is cancelled.

**“Good Until Day Order”** or **“GTD Day Order”** means an Order which will remain available for execution on the Order Book until the end of the same Trading Day on which the Order has been entered in the Order Book or it is cancelled.

**“Good Until Cancel Quote”** or **“GTC Quote”** means a Quote which will remain available for execution on the Order Book until it is filled or cancelled.

**“Good Until Date Quote”** or **“GTD Quote”** means a Quote which will remain available for execution on the Order Book until a specified date or it is cancelled.

**“Good Until Day Quote”** or **“GTD Day Quote”** means a Quote which will remain available for execution on the Order Book until the end of the same Trading Day on which the Quote has been entered in the Order Book or it is cancelled.

**High-Frequency Algorithmic Trading Technique** means an algorithmic trading technique characterised by:

- (a) infrastructure intended to minimise network and other types of latencies, including at least one of the following facilities for algorithmic Order or Quote entry: co-location or proximity hosting;
- (b) system-determination of Order or Quotes initiation, generation, routing or execution without human intervention for individual trades or Orders or Quotes; and
- (c) high message intraday rates which constitute Orders, Quotes or cancellations.

**Indicative Quote** means a Quote that is a non-binding bid or ask price and volume which the Liquidity Provider provides on a continuous basis during the time where an instrument is open for trading in accordance with the Liquidity Provider Agreement.

**Insolvency Event** means in relation to a Member any of the following:

- (a) in relation to a Member having its registered seat and centre of main interest or, where it is a credit institution, being headquartered (*mit Hauptniederlassung*) in Germany:
  - (i) any event occurs which constitutes a cause for the initiation of insolvency proceedings (*Eröffnungsgrund*) as set out in Sections 17 to 19 of the German Insolvency Code (*Insolvenzordnung*);
  - (ii) a petition for insolvency proceedings in respect of its assets (*Antrag auf Eröffnung eines Insolvenzverfahrens*) is filed;
  - (iii) actions are taken pursuant to Section 21 of the German Insolvency Code (*Insolvenzordnung*) by a competent court; or
  - (iv) actions are taken pursuant to Section 46 et. seq. of the German Banking Act (*Kreditwesengesetz*) or Section 79 et. seq. of the German Securities Institutions Act (*Wertpapierinstitutsgesetz (WpIG)*) by BaFin.
- (b) with respect to any other Member not falling within the scope of (a), any action, legal proceedings or other procedure or step is taken in relation to any of the following events or any of the following events occurs:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, termination of existence, liquidation, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), bankruptcy, insolvency, judicial management or curatorship;
  - (ii) a settlement, deferred payment, debt restructuring, transfer, restructuring, composition, compromise, assignment or similar arrangement of the Member with any of its creditors;
  - (iii) the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that Member or any of its assets; or

- (iv) any analogous procedure or step is taken in any jurisdiction, provided that this Paragraph (b) shall not apply to any procedure or step taken in relation to a solvent reorganisation of the relevant Member.

**“Immediate or Cancel Order”** or **“IOC Order”** means an Order which is immediately executed and, if only partially filled, the remainder of the Order that has not been filled is cancelled.

**Limit Order** means a buy or sell Order with a price limit and executed at the specified price or better.

**Liquidity Provider** means a person who entered into a Liquidity Provider Agreement and is, on a Request for Execution basis, willing to deal on own account by buying and selling Financial Instruments in scope of the relevant Liquidity Provider Agreement against that person’s proprietary capital at prices defined by that person.

**Liquidity Provider Agreement** means a binding written agreement between the Operator and a Member pursuing a liquidity provision strategy on SPECTRUM.

**MAR** means Regulation (EU) 596/2014 on Market Abuse as amended from time to time.

**Market Maker** means a person who entered into a Market Maker Agreement and is, on a continuous basis, willing to deal on own account by buying and selling Financial Instruments in scope of the relevant Market Maker Agreement against that person’s proprietary capital at prices defined by that person.

**Market Order** means an unlimited buy or sell Order which will be executed at the best available price.

**Market Maker Agreement** means a binding written agreement between the Operator and a Member pursuing a market making strategy on SPECTRUM.

**Market Making Member** means a Member who is a Market Maker or Liquidity Provider and meets the Market Making Membership Eligibility Criteria as set out in Rule 5.10 and has entered into a Membership Agreement and a Market Maker Agreement or Liquidity Provider Agreement with the Operator.

**Member** means a person that has been admitted by the Operator in accordance with Rule 5.2. It meets at least the General Membership Eligibility Criteria as set out in Rules 5.7 and has entered into a Membership Agreement with the Operator.

**Member ID** means the ID allocated to each Member during onboarding on SPECTRUM.

**Membership Agreement** means the agreement entered into between the Operator and each Member as amended by the parties to that agreement from time to time.

**Membership Applicant** means a person which applies to become a Member.

**MiFID** means Directive 2014/65/EU on Markets in Financial Instruments as amended from time to time.

**MiFID Instrument** means those instruments specified in Section C of Annex I of MiFID.

**MiFIR** means Regulation (EU) 600/2014 on Markets in Financial Instruments as amended from time to time.

**Multilateral Trading Facility** or **MTF** means a multilateral trading system, operated by an investment firm or a market operator which brings together multiple third party buying and



selling interests in MiFID Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract.

**Order** means an order to either buy or sell a Financial Instrument, as submitted to the Operator by a Member.

**Order Book** means a facility operated by SPECTRUM for the electronic submission and automatic execution of Orders and Quotes.

**Order ID** means the ID allocated to an Order by the system of the Operator.

**Organised Trading Facility** or **OTF** means a multilateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a way that results in a contract.

**Operator** means Spectrum MTF Operator GmbH.

**Passive Order** means an Order which remains in the Order Book until it is fully executed, cancelled or expires.

**Passive Quote** means a quote, which cannot be executed immediately upon its entry or is a response to a Request for Execution. It therefore remains in the Order Book until it is fully executed, converted to an indicative quote, cancelled or expires.

**Product Liability Act** means the German Product Liability Act of 15 December 1989, as amended from time to time.

**Prohibited Behaviour** means the behaviour described in Rule 7.18.

**Quote** means a quote to buy and sell a Financial Instrument, as submitted to the Operator by a Market Making Member.

**Regulated Market** means a multilateral system operated or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in MiFID Instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the MiFID Instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with Applicable Regulations.

**Regulator** means any competent authority of any EEA Member State as defined in Article 4(1) subpara. 26 MiFID.

**Representative** means any director, officer, employee or agent of the Operator.

**Request for Execution** means a message sent by the Operator to a Market Making Member as a request to respond with an executable quote or a quote rejection. The Market Making Member may decide not to react to such a request.

**Rulebook** means the provisions of this SPECTRUM rulebook, as amended from time to time. The current valid version of the rulebook is available on the Website.

**Rules** means the rules contained in the Rulebook and the provisions contained in the Membership Agreement and the Market Maker Agreement or Liquidity Provider Agreement but, for the avoidance of doubt, not the Trading Manual, any other rules or documents and any Website Notices posted by the Operator referenced herein.

**Site** means any premises at which a Member performs any part of its activity that relates to SPECTRUM.

**Special Market Conditions** means (as determined by the Operator):

- (a) events or circumstances which affect or may affect the orderly trading on SPECTRUM;
- (b) other market disruptions (e.g., the suspension or closure of any market) which render impossible or impracticable the orderly determination of prices on SPECTRUM; or
- (c) events or circumstances which establish non-tolerable insecurity, volatility or risks with regard to Orders, Quotes or Transactions or the trading on SPECTRUM.

**Suspension Event** means the occurrence of an event which, in the determination of the Operator, constitutes a substantial reason for suspending or removing from trading a Financial Instrument, including any of the following events:

- (a) the Operator is requested by a Regulator to suspend or remove from trading a Financial Instrument;
- (b) a Financial Instrument no longer complies with the Rules;
- (c) a Financial Instrument or, where applicable, its Underlying Instrument has been suspended or removed from trading on another Trading Venue (where suspension may continue even if the suspension on the other Trading Venue is lifted);
- (d) market volatility of a Financial Instrument needs to be prevented or halted to ensure fair and orderly trading on SPECTRUM;
- (e) there is a suspicion of market abuse within the meaning of MAR or of non-disclosure of inside information violating Article 17 MAR with regard to a Financial Instrument or, where applicable, with respect to the Underlying Instrument to which a Financial Instrument relates;
- (f) a take-over bid was published with regard to the issuer of the Financial Instrument or, where applicable, with respect to the Underlying Instrument to which a Financial Instrument relates;
- (g) the occurrence of an excessive movement in the level of a Financial Instrument or, where applicable, with respect to the Underlying Instrument to which a Financial Instrument relates or the Operator's anticipation (acting reasonably) of the occurrence of such a movement, or
- (h) the occurrence of Special Market Conditions with respect to a Financial Instrument or, where applicable, with respect to the Underlying Instrument to which a Financial Instrument relates.

**System** means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable the Member to use SPECTRUM.

**Trading Day** means the Trading Hours of SPECTRUM.

**Trading Hours** means the SPECTRUM operating hours as determined by the Operator and published on its Website.

**Trading Manual** means the non-binding manual which is published by the Operator on its Website from time to time setting out guidance and practical information on SPECTRUM, as amended by the Operator from time to time.

**Trading Venue** means a Regulated Market, an MTF or an OTF.

**Transaction** means a binding legal agreement for the purchase and sale of one or more Financial Instrument(s) entered into via SPECTRUM in accordance with Rule 7.3.

**Transaction ID** means the ID allocated to a Transaction by the system of the Operator.

**Underlying Instrument** means, where applicable, an instrument which may be a MiFiD Instrument or any other suitable instrument, benchmark or asset relating to an Eligible Financial Instrument in a way that the price or other value measure of such instrument correlates with or is a determining factor of the price of the Eligible Financial Instrument and is, in the view of the Operator, reliably determined and publicly available.

**Underlying Market** means, where applicable, a relevant Trading Venue, vendor or index provider that provides data related to the Underlying Instrument used for a Financial Instrument included to trading on SPECTRUM.

**Website** means the SPECTRUM website: [www.spectrum-markets.com](http://www.spectrum-markets.com).

**Website Notice** means any written communication, labelled as "Notice", "SPECTRUM Notice" or "Notice to SPECTRUM Members" and published by the Operator on the Website.

## **2 Interpretation**

**2.1** References in the Rules to any statute or statutory instrument or Applicable Regulations include any modification, amendment, extension or re-enactment thereof, as in force from time to time.

**2.2** A reference in the Rules to a "**document**" shall be construed to include any electronic document.

**2.3** The singular includes the plural and vice versa as the context admits or requires.

**2.4** In the event of any conflict or inconsistency between the Membership Agreement, the Market Maker Agreement/Liquidity Provider Agreement, and the Rulebook:

- (a) the Rulebook shall prevail over the Membership Agreement and the Market Maker Agreement/Liquidity Provider Agreement; and
- (b) the Market Maker Agreement/Liquidity Provider Agreement shall prevail over the Membership Agreement.

**2.5** The Rules are subject to Applicable Regulations so that:

- (a) if there is any conflict between the Rules and any Applicable Regulations, the latter will prevail;
- (b) nothing in the Rules shall exclude or restrict any obligation which the Operator has to a Member under Applicable Regulations;
- (c) the Operator may take or omit to take any action the Operator considers necessary to ensure compliance with or mitigate any loss incurred as a result of any Applicable Regulations, provided that it shall – where possible – take into account the interests of any Member affected thereby;

- (d) all Applicable Regulations and whatever the Operator does or fails to do in order to comply with them or mitigate any loss incurred as a result of (c) above will be binding on the Member; and
- (e) such actions that the Operator takes, omits to take or fails to take for the purpose of complying with or mitigating any loss incurred as a result of any Applicable Regulation shall, subject to Rule 19.2, not render the Operator or any Representative liable.

**2.6** The Rules may from time to time and in accordance with Applicable Regulations be interpreted by the Operator by posting Website Notices which shall be binding for all Members. Such interpretation shall not constitute an amendment to the Rules as described in Rules 3.1 to 3.3.

### **3 General Provisions**

#### Amendments to the Rules

- 3.1** The Operator reserves the right to amend the Rules by posting such amendments in a Website Notice at any time. Unless otherwise required by a Regulator or by Applicable Regulations, amendments to the Rules shall not apply retrospectively and the Operator will, subject to the following sentence, post a Website Notice at least ten (10) Business Days prior to the respective effective date of the amendment. If the amendments to the Rules are (i) editorial changes or amendments, (ii) changes or amendments of an administrative or operative nature, (iii) changes or amendments necessary to comply with Applicable Regulations, as well as (iv) changes or amendments due to Special Market Conditions, the Operator will post a Website Notice at least five (5) Business Days prior to the respective effective date of the amendment. In the case of Special Market Conditions, the amendments of the Rules shall take immediate effect if it would be impossible for the Operator to comply with the Rules without such amendment and the Operator explicitly provides for such immediate effect in the Website Notice.
- 3.2** Each Member affected by such amendments may submit in writing to the Operator comments to any amendments of the Rulebook (including the reasoning for such comments) within a period of five (5) Business Days (or in the cases described in Rule 3.1 sentence 2, within a period of three Business Days) after the Operator has posted a Website Notice of such amendments. The Operator shall assess these comments taking into account the interests of all Members and consider implementing such comments without having the obligation to do so. If the Operator decides to implement such comments the relevant amendments will be published again in accordance with the notice period set forth in Rule 3.1 sentence 2 above provided that there will, however, be no new assessment of comments of Members pursuant to this Rule 3.2.
- 3.3** Each Member accepts the amendments to the Rules, unless it objects by notice to the Operator within the period set forth in Rule 3.2 stating the reasons for such objection. In each Website Notice, the Operator will inform about the legal consequences of not objecting to the relevant amendment. The right to terminate a Membership Agreement or a Market Maker Agreement shall remain unaffected.

#### Access to SPECTRUM

- 3.4** Electronic Trading Service means the provision of access to SPECTRUM.

- 3.5** The Electronic Trading Service is provided on an execution only basis in respect of Orders entered into by a Member or Quotes entered into by a Market Making Member through the Electronic Trading Service. The Operator does not provide any advice or recommendation in respect of Orders or Quotes entered into through the Electronic Trading Service. The Member is solely responsible for any investment or trading decisions made in relation to any Order or Quote, as relevant, entered into through any Electronic Trading Service and the Operator is not responsible for determining whether any such Order or Quote is suitable, appropriate or advisable, either for the Member or for any person or entity on whose behalf the Member uses any Electronic Trading Service.
- 3.6** The Operator may not be able to provide the Electronic Trading Services if an Electronic Trading Services Outage Event has occurred. The Operator shall not be liable for not providing the Electronic Trading Services as long as such Electronic Trading Services Outage Event is continuing. The Operator shall also not be liable to a Member for any malperformance or non-performance of the Electronic Trading Services resulting from the Member's:
- (a) non-compliance with the Rules;
  - (b) alteration of the Electronic Trading Services without being instructed or allowed to do so by the Operator;
  - (c) use of the Electronic Trading Services for purposes other than the ones agreed between the Operator and the Member;
  - (d) use of old versions of certain software components that are no longer supported by the Operator, provided that the Operator has notified the Member reasonably in advance about such cessation of support; and
  - (e) use of software or hardware in combination with the Electronic Trading Services that the Operator has not released for such use.
- 3.7** Access to the Electronic Trading Service will be subject to Applicable Regulations. The Operator may terminate or suspend access to the Electronic Trading Service in case of non-compliance with Applicable Regulations in accordance with Rules 12.6 to 12.11.
- 3.8** Prior to its first use of an Electronic Trading Service, the Member shall submit in writing the names of its Authorised Users to the Operator. The Member shall:
- (a) maintain at all times a log of all Authorised Users and inform the Operator immediately of any changes to the Authorised Users in order to allow the Operator to take appropriate security measures;
  - (b) take all reasonable steps to ensure that no Authorised User leaves at any time the terminal from which it has accessed any Electronic Trading Service or let anyone else use such terminal until it has logged off the Electronic Trading Service and, if connected to an open network, that each Authorised User closes down its web browser before leaving its terminal unattended;
  - (c) provide the Operator with such details of the relevant Authorised User(s) as the Operator may require under Applicable Regulations; and
  - (d) ensure that Authorised Users are adequately trained and knowledgeable to use the Electronic Trading Service.

- 3.9** The Member is responsible for controlling its access to the Electronic Trading Service and accepts to be bound by all actions taken through the Electronic Trading Service, including all Orders and Quotes, as relevant, entered into via the Electronic Trading Service.
- 3.10** The Member shall synchronize its business clocks, including computer system clocks, prior to its first use of the Electronic Trading Service, and shall maintain the synchronization of such business clocks, in each case in accordance with Applicable Regulations.

#### **4 Listing, Suspension and Removal of Financial Instruments from Trading**

##### Process for Listing of Financial Instruments to Trading

- 4.1** The Operator may decide to include Eligible Financial Instruments to trading on SPECTRUM upon application of a Financial Instrument Applicant. The Operator may also include Eligible Financial Instruments to trading on SPECTRUM which are not subject to an application.
- 4.2** When applying for listing of an Eligible Financial Instrument, where applicable, the following documents shall be submitted by the Financial Instrument Applicant to the Operator:
- (a) a copy of the prospectus documents or a link to the website where such documents are published, and the prospectus approval certificate issued by the relevant domestic or foreign authority or a declaration from the Financial Instrument Applicant in writing that the relevant Eligible Financial Instrument is not subject to a prospectus requirement, as applicable; and
  - (b) a declaration in writing that to the best knowledge of the Financial Instrument Applicant no significant events that may influence the valuation of the Eligible Financial Instrument has occurred since the prospectus approval, if applicable.
- 4.3** The application for listing of an Eligible Financial Instrument shall be submitted to the Operator in text form in English. The application must indicate the entity and the registered office of the issuer and in case of funds of the fund and managing company, including its legal entity identifier (LEI). The Financial Instrument Applicant shall submit reference data in accordance with the requirements of Article 4 MAR regarding the Eligible Financial Instrument that is subject to the listing together with the application.
- 4.4** The Operator shall decide on the listing of Eligible Financial Instruments within ten (10) Business Days upon application.
- 4.5** Where the application for listing relates to Eligible Financial Instruments subject to an issuance programme, the listing may involve all Eligible Financial Instruments issued under such programme within twelve months following the decision on the listing.
- 4.6** The Operator shall post a Website Notice regarding the listing of an Eligible Financial Instrument.
- 4.7** Following listing, the Financial Instrument Applicant shall submit any update to the prospectus documents immediately to the Operator (e.g., by providing a link to the publication website), where applicable.

## Suspension or Removal of Financial Instruments from Trading

- 4.8** The Operator may suspend trading in, or remove from trading, any Financial Instrument at any time if a Suspension Event has occurred taking into account the Members' interests and the interests in the orderly functioning of SPECTRUM.
- 4.9** The Operator may remove any Financial Instrument from trading for serious cause (*wichtigem Grund*) at any time, with immediate effect. Serious cause shall be deemed to exist if Operator cannot reasonably be expected to maintain listing, taking into account all the circumstances of the particular case as well as the Members' interests and the interests in the orderly functioning of SPECTRUM. This applies, in particular, if the prerequisites for listing have lapsed; or if, in the opinion of the Operator, the prerequisites for the orderly conduct of trading and settlement are no longer met [(in particular if a Financial Instrument is not eligible anymore)] or that the public is in danger of being taken advantage of.
- Measures in connection with a Suspension Event remain unaffected.
- 4.10** Subject to Applicable Regulations, the Operator will notify Members, where possible in advance, of any such suspension or removal by posting a Website Notice.
- 4.11** During suspension or upon removal from trading of any Financial Instrument, Members may not submit Orders or Quotes, as relevant, and no Transactions relating to that Financial Instrument shall be entered into. All outstanding and unexecuted Orders or Quotes in a suspended or removed Financial Instrument will be cancelled, and any new Orders or Quotes will be rejected by SPECTRUM.
- 4.12** The Operator may in its reasonable discretion and after consultation with Members or upon request of a Financial Instrument Applicant remove a Financial Instrument from trading by giving six weeks' notice. Such removal must not contradict investor protection concerns. The Operator will notify Members of any removal by posting a Website Notice.

## **5 Membership**

- 5.1** All Members must comply with the General Membership Eligibility Criteria as set out in Rule 5.7 at all times. In addition, Market Making Members must comply with the Market Making Membership Eligibility Criteria as set out in Rule 5.10 at all times. Only Members admitted by the Operator as Market Making Member may or may also engage in Market Making / Liquidity Provision activities on SPECTRUM.
- 5.2** The Operator will admit Membership Applicants who meet the relevant Eligibility Criteria below for admission as Members and, where applicable, as Market Making Members on SPECTRUM. The Operator may reject a Membership Applicant if it determines that the Membership Applicant fails to meet the relevant Eligibility Criteria.
- 5.3** Membership Applicants must submit the following to the Operator:
- (a) a completed SPECTRUM application form;
  - (b) a signed Membership Agreement;
  - (c) a list and details of key contacts;
  - (d) a list of Authorised Users; and

- (e) any additional information reasonably required by the Operator to enable it to assess whether a Membership Applicant meets the relevant Eligibility Criteria or otherwise in connection with the application.

**5.4** The Member acknowledges that, in order to comply with the Applicable Regulations, the Operator may require evidence of the identity of the Member. If the Member does not provide the Operator with satisfactory evidence of its identity, the Operator may suspend or terminate the Member's admission in accordance with Rules 12.6 to 12.11.

**5.5** The Operator may publish on its Website the list of the Members together with appropriate contact details.

**5.6** A Member may not assign, pledge or otherwise transfer or purport to assign, pledge or otherwise transfer its rights or obligations under the Rules (including its Membership or any Transactions governed by the Rules) or any rights and claims thereunder without the prior written consent of the Operator, and any purported assignment, pledge or transfer in violation of these Rules shall be void.

#### General Membership Eligibility Criteria

**5.7** Each Member must at all times satisfy the following Eligibility Criteria and be able to demonstrate by submitting appropriate statements and documents (e.g., curriculum vitae, criminal records or statement of good repute) that it does so to the Operator's reasonable satisfaction. Each Member must, in particular:

- (a) be of sufficient good repute;
- (b) have a sufficient level of trading ability, competence and experience;
- (c) engage, on a commercial basis, (i) in the purchase and sale for own account, (ii) in the purchase and sale on its own behalf for the account of third parties, or (iii) act as intermediary regarding the purchase and sale, in each case with respect to instruments capable of being traded on a Trading Venue;
- (d) conduct its business on a scale which requires a commercially organised business undertaking;
- (e) have reliable persons in its management which according to applicable laws, its articles or shareholder agreement (*Satzung, Gesellschaftsvertrag*) are charged with managing and representing it and at least one of these persons has the professional qualification for securities or commodities exchange trading;
- (f) ensure that the timely and orderly settlement of Transactions is secured;
- (g) provide evidence that its own funds amount to at least EUR 125,000, unless it is (i) a credit institution, (ii) a financial services institution, (iii) an undertaking pursuant to § 53 para (1) sentence 1 or § 53b para (1) sentence 1 of the German Banking Act (KWG) or an investment firm in accordance with § 2 para (1) WpIG and is authorized to conduct financial commission business (*Finanzkommissionsgeschäft*) within the meaning of § 1 para (1) sentence 2 no. 4 KWG or § 2 para (2) no. 1 WpIG or to provide financial services within the meaning of § 1 para. (1a) sentence 2 no. 1 to 4 KWG or § 2 para (2) no. 2 to 10 WpIG; own funds in this respect are only the paid-in capital, the reserves (after deduction of any withdrawals of the owner or the general partners, the loans granted to them as well as any excess of debt over assets in the free assets of the owner);



- (h) if it is subject to own fund requirements under the CRD IV and the CRR, provide evidence that it meets the own fund requirements pursuant to the CRD IV and the CRR; or if it is subject to equivalent requirements to CRD IV and the CRR in respect of own funds in a third country, provide evidence that it meets the own fund requirements pursuant to the equivalent regime;<sup>1</sup>
- (i) have sufficient resources for the role it is to perform with respect to SPECTRUM;
- (j) have adequate organisational arrangements for its business and in order to comply with the Rules;
- (k) have in place appropriate technology and Systems to enable it to access SPECTRUM;
- (l) meet all Applicable Regulations;
- (m) have systems and controls in place for the monitoring of its trading and the management of its risk;
- (n) comply with any minimum capital or prudential requirements as requested by the Operator from time to time;
- (o) have ensured that it, and each of its officers, employees and agents, has complied with all duties and obligations imposed by Applicable Regulations;
- (p) have ensured that any information, statement or representation made by it or any of its officers, employees or agents to the Operator is true and accurate at all times;
- (q) have ensured that each officer, employee and agent who has access to SPECTRUM is given appropriate training and supervision in relation to its use of SPECTRUM;
- (r) not be inconsistent with the operation and maintenance of an efficient, fair and orderly market on SPECTRUM; and
- (s) when submitting Orders to Spectrum, be either:
  - (i) a credit institution or investment firm authorised or regulated by a Regulator with permission to carry on its activities on SPECTRUM in compliance with the Rules; or
  - (ii) such other person who is otherwise licensed by a Regulator to the extent necessary (including in each relevant jurisdiction) to conduct business on SPECTRUM or does not require any such license for such purpose. The Operator will not accept applications for membership of Membership Applicants that cannot prove to the Operator that they are subject to supervision comparable to EU standards, in particular with respect to:
    - (a) supervision of investment activity; and
    - (b) information sharing and co-operation between the supervisory authority of the relevant jurisdiction and BaFin.

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<sup>1</sup> References to CRD IV and CRR shall be read as references to Regulation ((EU) 2019/2033) (IFR) and Directive ((EU) 2019/2034) (IFD), where applicable.

Members may execute Orders on behalf of their Clients on a principal basis or on a riskless principal basis or deal on own account.

- 5.8** Any failure of a Member to comply with criteria and requirements set out in these Rules, the Membership Agreement or the Market Maker Agreement/Liquidity Provider Agreement, as relevant, at any time will constitute a cause for temporary or long-term suspension of the Member from carrying out any trading on SPECTRUM.
- 5.9** Each Member agrees to provide or allow the Operator to access all information arising out of or related to its activity on SPECTRUM upon reasonable request of the Operator. Subject to Applicable Regulations, each Member will permit the Operator and any Representative subject to the confidentiality requirements set out in Rule 17:
- (a) to have access to any Site and to have access in the Site to the Member's data and personnel as is reasonably required in order to inspect and take copies of such data and information;
  - (b) to review the Member's strategies and algorithmic trading technique including High-Frequency Algorithmic Trading Technique at any time; and
  - (c) to review the Member's business continuity plan.

#### Market Making Membership Eligibility Criteria

- 5.10** In addition to Rule 5.7, each Market Making Member must:
- (a) be a credit institution or investment firm authorised or regulated by a Regulator with permission to carry on its activities on SPECTRUM in compliance with the Rules; or
  - (b) be such other person who is otherwise licensed by a Regulator to the extent necessary (including in each relevant jurisdiction) to conduct business on SPECTRUM or does not require any such license for such purpose; as well as
  - (c) have entered into a Market Maker Agreement or Liquidity Provider Agreement with the Operator; and
  - (d) comply with the specified obligations provided for in the Market Maker Agreement or Liquidity Provider Agreement following requirements as further prescribed by the Operator from time to time.

## **6 Trading Rules**

### Matching Principles

- 6.1** All Orders and Quotes shall be ranked according to their limits, date and time of entry. All Orders and Quotes entered into the Systems of SPECTRUM shall be marked by the System with a time stamp and an identification number. Amendments to an Order or Quote shall result in a new chronological ranking in the Order Book if such amendments concern the limits or the lot sizes of the Order or Quote. An amendment that decreases the lot sizes without changing the limit shall keep its original chronological ranking within the Order Book.
- 6.2** Orders and firm Quotes entered into the Order Book shall be matched in accordance with the procedure set out in the Trading Manual.

## **7 Conclusion of Transactions**

- 7.1** Orders and Quotes can be submitted to SPECTRUM and executed in accordance with the procedure set out in the Trading Manual.
- 7.2** The Member is solely responsible for each Order or Quote (including Indicative Quotes) submitted by it. In order to facilitate the conclusion of Transactions via SPECTRUM, each Member hereby irrevocably authorises (*bevollmächtigt*) the Operator to act as receiving agent (*Empfangsvertreter*) on behalf of the Member with respect to matching Orders or Quotes; the Operator shall have no discretion in this respect.
- 7.3** When an Order or Quote is executed on SPECTRUM, a Transaction will be formed without the need for any further action by either party upon the occurrence of a match of Orders or Quotes on SPECTRUM between the Member and the relevant counterparty Member to the Transaction. The Transactions will be governed by German law, and subject to the Rules and, to the extent not contradictory to the Rules, any relevant agreement between the Members.
- 7.4** Members must ensure that their ratio of Orders or Firm Quotes to Transactions remains at all times within parameters notified by the Operator to the relevant Member.
- 7.5** The Operator gives no guarantee that an Order or Quote will be executed.
- 7.6** Orders and Quotes can only match automatically under the Electronic Trading Service of SPECTRUM.

### Rejection/Cancellation of Orders or Quotes

- 7.7** An Authorised User may request the Operator to cancel an Order, which has not been executed or in relation to the unexecuted part, by phone as relevant and has to provide the following information:
- (a) Member ID of the Member requesting the cancellation;
  - (b) name and ISIN of the Financial Instrument;
  - (c) time, volume and price of the Order or Order ID; and
  - (d) reason for the cancellation.

Upon receipt of a request from the Member to cancel any Order, as relevant, the Operator shall use its reasonable endeavours to cancel such Order provided always that, subject to Rule 19.2, the Operator shall bear no responsibility or liability for the cancellation of such Order. The Member acknowledges that it shall be liable for any Order or Quote and any Transaction (or part thereof) entered into by it where it is not reasonably practicable or possible to cancel an Order or a Quote, as relevant, made by the Member.

- 7.8** An Authorised User may request the Operator to cancel all Orders and Quotes which have not been executed or in relation to the unexecuted part using the member suspension function, by phone as relevant and has to provide the following information:
- (a) Member ID of the Member requesting the cancellation;
  - (b) reason for the cancellation.

Upon receipt of a request from the Member to cancel using the member suspension function, the Operator shall use its reasonable endeavours to cancel the Orders or Quotes provided

always that, subject to Rule 19.2, the Operator shall bear no responsibility or liability for the cancellation of such Orders or Quotes. The Member acknowledges that it shall be liable for any Order or Quote and any Transaction (or part thereof) entered into by it where it is not reasonably practicable or possible to cancel an Order or a Quote, as relevant, made by the Member.

**7.9** The Operator may reject or cancel an Order or a Quote if it reasonably considers or suspects that:

- (a) the Order or Quote is affected by or may lead to a Disruptive Market Event;
- (b) the Order or Quote is invalid, incorrect or erroneous; or
- (c) there is or will be a breach of a position limit, a pre-determined volume and price threshold, a parameter or restriction imposed by it on the Member with respect to such Order or Quote.

**7.10** The Operator may, in accordance with Section 74 para. 2 of the German Securities Trading Act (*WpHG*) in connection with Section 24 para. 2 sentence 4 of the German Stock Exchange Act (*BörsG*), cancel a Transaction in the following circumstances:

- (a) upon request of an Authorised User, if such Member that entered into the relevant Transaction notifies the Operator in accordance with Rule 7.11 that the Transaction was based on an entry in SPECTRUM that was entered by it or the other party to the Transaction inadvertently or incorrectly and in accordance with the review procedure in Rule 7.12;
- (b) the transaction has been concluded at a price obviously deviating from the prevailing market price pursuant to Rule 7.12 (c); or
- (c) if it reasonably considers or suspects that such Transaction has been affected by or is subject to a Disruptive Market Event in order to sustain or restore the proper operation of, the orderly conduct of business on or the integrity of SPECTRUM.

The Operator may at its discretion consult the relevant Members and will notify them of its decisions and actions under this Rule 7.10 as soon as practicable.

#### Review of Transactions

**7.11** An Authorised User of a Member may request the Operator to review or cancel a Transaction by email (email address, as defined in the SPECTRUM Trading Manual), as relevant and has to set-out the following information in his request email:

- (a) Member ID of the Member requesting the cancellation;
- (b) name and ISIN of the Financial Instrument;
- (c) Trade ID;
- (d) if review is requested or both affected Members agree to the cancellation and
- (e) reason for the cancellation (in case of an obvious price deviation pursuant to Rule 7.12(b): the calculation formula for the fair market value and associated factors).

The request shall be submitted without undue delay within 120 minutes after conclusion of the Transaction.

If both parties to a Transaction agree to the cancellation of a Transaction by sending a respective notice no later than 120 minutes after the Transaction was executed to the Operator (acting as a receiving agent (*Empfangsvertreter*) on behalf of the Members in this respect), the Operator may terminate such Transaction .

**7.12** The Operator may cancel a Transaction upon request by a Member that entered in the Transaction in accordance with the following procedure:

- (a) The Operator shall determine whether the relevant Transaction will be subject to a review. In making its decision, the Operator will take into consideration the circumstances at the time the Transaction was entered into, the current market situation and the affected Member's interests.
- (b) In case of a claimed obvious price deviation the Operator shall determine in its reasonable discretion and based on information provided by the Members and by consultation with other Market Making Members whether a Transaction has been concluded at a price obviously not in line with the market price.
- (c) When the Operator determines whether a price obviously deviates from the market price the Operator will in its reasonable discretion take into account the interest of the involved Members and investors in a price that corresponds with the prevailing market conditions and the reliance of the involved Members and investors in the validity of the price as determined and published. The Operator shall also take into consideration the product type and, where applicable, the Underlying Instrument of the Financial Instrument concerned as well as the time elapsed since price determination, the damage incurred and the fair market value.

Where applicable, the Operator may take into account information provided by a Member requesting the cancellation. The Member shall provide, where applicable, in particular the formula and the associated factors for the calculation of the fair market value. The Operator will decide based on the clarity of the formula and availability of the respective factors if they can be used as reference.

In addition, the Operator may consult experts from the Market Maker Members in order to determine an obvious market price deviation. The Operator shall take into consideration the statements of three consulted experts. If less than three statements are available within an adequate period, the Operator may consider two statements or one statement.

- (d) When the Operator determines that a price obviously deviates from the market price in accordance with Rule 7.12(c) the Operator may in its reasonable discretion and in accordance with Section 74 para. 2 WpHG in connection with Section 24 para. 2 sentence 4 BörsG cancel the relevant Transaction and will inform the affected Members of its decision to cancel the relevant Transaction as soon as practicable.
- (e) In cases other than Rule 7.12(c) and (d) the Operator will, upon deciding to review a Transaction, promptly notify the affected Members of such decision. Each affected Member shall, within one hour after receipt of such notification, confirm in writing (email is sufficient) to the Operator, if not already done, whether it consents to the cancellation of the Transaction.
- (f) Upon receipt of the confirmations in accordance with (e) above, the Operator shall cancel the Transaction.

- (g) Where any relevant confirmation has not been received in accordance with (e) above, the Operator may in its reasonable discretion and in accordance with Section 74 para. 2 WpHG in connection with Section 24 para. 2 sentence 4 BörsG cancel the relevant Transaction and will inform the affected Members of its decision to either cancel the relevant Transaction as soon as practicable or will, otherwise, notify all affected Members indicating that the Transaction shall stand. In making its decision, the Operator may reasonably consider the circumstances at the time the Transaction was entered into, and the interests of the Members involved in the Transaction.

**7.13** The Member who sends the initial request (timestamp when email is received by the Operator) to review or cancel a trade will be charged with the respective Cancellation Fee in accordance with the Fee Schedule. A maximum amount charged to a single Member per day can be set out in the Fee Schedule.

**7.14** Civil law claims of the parties to cancellation of Transactions as well as the right to contest (*Anfechtungsrecht*) Transactions are excluded. In the event of the cancellation of Transactions by the Operator, mutual claims for compensation by the parties are excluded.

#### Further Trading Rules

**7.15** The Operator imposes parameters or limits on the number of Orders or Quotes that a Member can enter into on any one day, including in terms of the total value of those Orders or Quotes, and the number of messages that can be submitted to the System. The Operator shall notify the relevant Member of any such parameters or limits.

**7.16** Subject to the Trading Hours, SPECTRUM will operate continuously, unless otherwise notified by the Operator by posting a Website Notice.

**7.17** The Operator may halt or constrain the trading in a Financial Instrument on SPECTRUM, including by putting in place any circuit breakers, changing the market model or by any other means, if there is a significant price movement in such Financial Instrument or its Underlying Instrument, the Underlying Market for that Financial Instrument (or its Underlying Instrument), a related Regulated Market, or, if required to manage volatility. The Operator may determine in its reasonable discretion which Underlying Markets are used for a Financial Instrument during what times for the purpose of this paragraph.

#### Prohibited Behaviour

**7.18** The Member must not:

- (a) engage in any type of behaviour which constitutes insider dealing, market manipulation, attempted market manipulation, attempted insider dealing, money laundering, bribery or corruption, fraud or any other breach of Applicable Regulations or breach of the Rules;
- (b) engage in any type of behaviour which could adversely affect fair and orderly trading, as determined by the Operator, on SPECTRUM;
- (c) provide Direct Electronic Access to any person other than its Clients to SPECTRUM;
- (d) commit any act or engage in any behaviour which causes or contributes to a breach of Applicable Regulations or the Rules by another Member.

## **8 Microstructural Requirements**

- 8.1** Only Members will get trading access SPECTRUM.
- 8.2** The Operator will require Members to undertake conformance testing prior to listing and prior to the deployment of a substantial update of:
- (a) the access to SPECTRUM; or
  - (b) the System of a Member, trading algorithm or trading strategy.

### Algorithmic Trading

- 8.3** Members will comply with all organisational requirements under Applicable Regulations when engaging in Algorithmic Trading.
- 8.4** The Member must comply with any conformance testing requirements as reasonably required by the Operator.
- 8.5** The Member is required to provide SPECTRUM and its respective Regulator with thirty (30) calendar days' notice in writing of any intention to use an algorithm to access SPECTRUM.
- 8.6** Any Member that wishes to engage in Algorithmic Trading on SPECTRUM must first provide all information requested by the Operator before it is allowed to engage in Algorithmic Trading on SPECTRUM, including but not limited to:
- (a) a description of the purpose of any Algorithmic Trading by the Member;
  - (b) qualifications of staff in key positions within the Member as well as information in relation to the relevant person in control of the Algorithmic Trading at the Member;
  - (c) information required for the purpose of any conformance testing; and
  - (d) any other information the Operator or SPECTRUM requires in order to ensure their compliance with Applicable Regulations.
- 8.7** The Operator will, at least annually and periodically, conduct a risk-based assessment of the compliance of any Members engaged in Algorithmic Trading on SPECTRUM with the Rules and any Applicable Regulations.
- 8.8** Members must ensure that Algorithmic Trading Systems cannot create or contribute to disorderly trading conditions on SPECTRUM. They must manage any disorderly trading conditions which do arise from Algorithmic Trading Systems.
- 8.9** Members must certify that they have carried out appropriate testing of algorithms and explain the means used for that testing before the deployment of an algorithm or a substantial update of a trading algorithm or trading strategy.
- 8.10** Members are obliged to mark the Orders or Quotes generated through Algorithmic Trading and to identify the persons initiating the Orders or Quotes and the trading algorithms used in each case. This shall also apply in the event that Orders or Quotes are being transmitted via an order routing System. The Orders or Quotes must be marked when they are entered into the Order Book. The trading algorithms used in each case must be identified when Orders or Quotes resulting from the trading algorithms are entered into the System and when such Orders or Quotes are modified or cancelled. The marking of the Orders or Quotes generated, and the identification of the trading algorithms used in each case must be made using the appropriate input options of the System. The marking of the Orders or Quotes

generated, and the identification of the algorithms used in each case must be comprehensible, definite and consistent. Trading algorithms must be identified by setting out the complete automated decision-making process by which the entry of Orders or Quotes into the System or the modification or deletion of such Orders or Quotes was affected.

- 8.11** A Member that engages in a High-Frequency Algorithmic Trading Technique will store in an approved form accurate and time sequenced records of all its placed Orders or Quotes, including cancellations of Orders, executed Orders and Quotes on SPECTRUM and make them available to the Regulator.
- 8.12** A Member will on an annual basis undertake a self-assessment of its Algorithmic Trading in accordance with Applicable Regulations and send such self-assessment to the Operator.
- 8.13** If the Operator reasonably considers or suspects that the System capacity of SPECTRUM is being used excessively and that there is a risk of the limit of its System capacity being reached due to Algorithmic Trading, the Operator may take all necessary measures to avert such risk, including but not limited to setting specific Order or Quote to Transaction ratio parameters in accordance with Rule 7.4.

#### Direct Electronic Access

- 8.14** If a Member provides Direct Electronic Access, the Member is obliged to ensure that the Orders submitted to SPECTRUM via the Direct Electronic Access are marked as Orders using a Direct Electronic Access.
- 8.15** The Operator may and will, to the extent required by Applicable Regulations, impose and adjust limits on the number and the total value of Orders that can be submitted via a Direct Electronic Access provided by a Member per Trading Day taking into account the Members' interests and the orderly functioning of SPECTRUM. The Operator may define for each such limit a warning limit signaling the relevant Member that a specified percentage of the relevant limit has been used. Such limits will be published by the Operator on its Website.
- 8.16** A Member providing Direct Electronic Access to SPECTRUM shall ensure that the relevant Client complies with the Rules when trading on SPECTRUM via the Direct Electronic Access at any time. The Member must comply with the requirements for the provision of Direct Electronic Access as required under Delegated Regulation (EU) 2017/589 and any other Applicable Regulations.
- 8.17** The Operator may terminate or suspend the provision of a Direct Electronic Access by the Member to a Client in case of non-compliance with the Rules or Applicable Regulations. In case of such termination or suspension Rules 12.6 to 12.11 shall apply *mutatis mutandis*.

## **9 Settlement and Reporting**

### Settlement

- 9.1** Members must timely and duly settle Transactions concluded on SPECTRUM. Members are solely responsible for the settlement of all Transactions on SPECTRUM in accordance with Applicable Regulations. In particular, all Members are obliged to apply all relevant measures referred to in Article 7 paras 3 to 8 CSDR and any applicable regulatory technical standard, regulation or decisions by any competent authority.
- 9.2** Subject to Rule 19.2, the Operator accepts no responsibility or liability for the settlement of any Transactions executed on SPECTRUM.



## Reporting

- 9.3** The Operator will publish information on Transactions in accordance with its transparency obligations.
- 9.4** Members are solely responsible for any reporting obligations with respect to Transactions entered into via SPECTRUM which they are required to undertake including under MiFIR. Where the Member is a non-EEA Member, the Member will assist the Operator to comply with the obligation to report Transactions under MiFIR. Such arrangement will be subject to a separate written agreement between the Operator and the Member.
- 9.5** A Member must comply with all obligations imposed by Applicable Regulations, including reporting Transactions where appropriate, reporting significant shareholdings and maintaining appropriate records.
- 9.6** The Member agrees and acknowledges that any and all proprietary rights in the information to be disclosed are owned by the Operator and the Member hereby waives any duty of confidentiality attaching to the information which the Operator is required to disclose pursuant to Applicable Regulations.
- 9.7** The Member will provide full assistance where the Operator is required to make a report or provide information under the direction, request, suggestion or advice of the relevant Regulator or any other competent authority or Applicable Regulations.

## **10 Fees and Charges**

- 10.1** The Member shall pay to the Operator such fees and charges as set out in the Fee Schedule and to the account of the Operator published on the Website from time to time.
- 10.2** If the Operator cancels, amends (including, but not limited to an amendment to the price) or corrects a Transaction upon a Member's request, the Member initiating the cancellation, amendment or correction shall pay an administrative fee to the Operator as set out in the Fee Schedule for each such occurrence.

## **11 Monitoring, Investigations and Sanctions**

- 11.1** The Operator will monitor the Orders or Quotes (including amendments and cancellations) submitted and Transactions undertaken by Members on SPECTRUM in order to identify Prohibited Behaviour.
- 11.2** If the Operator or a Regulator makes an enquiry in respect of any of the Member's Orders or Quotes, Transactions or other behaviour, the Member agrees to co-operate with the Operator and to promptly supply such information as the Operator may reasonably request.
- 11.3** The Operator may investigate any breach of the Rules or Applicable Regulations or suspected Prohibited Behaviour. The Member shall cooperate with any investigation, which has a connection to the Member or its conduct, irrespective of whether the Member is the subject or otherwise involved in the investigation. Without limitation, the Member shall:
- (a) provide to the Operator such information as it may reasonably request;
  - (b) permit Representatives access, with or without notice, during business hours to any of the Member's business premises in order to carry out the investigation;

- (c) make its representatives readily available for meetings with the Operator and use its best endeavours to procure that such persons answer truthfully and fully all questions put to them; and
- (d) produce and give the Operator access to documents, records, files, tapes, computer systems and any other pertinent information which are within the Member's possession or control.

**11.4** The Operator will report any Prohibited Behaviour, which the Operator reasonably believes the Member has undertaken, to the Regulator. The Operator may also supply any relevant information and provide full assistance without delay to the Regulator responsible for the investigation or prosecution of any Prohibited Behaviour and the Member hereby waives any duty of confidentiality attaching to the information which the Operator is required to disclose.

**11.5** If, in its reasonable opinion, the Operator believes the Member has undertaken any Prohibited Behaviour, the Operator may in its reasonable discretion – taking into account all relevant circumstances of the specific case – take any of the following actions:

- (a) temporarily suspend the Member from SPECTRUM in accordance with Rule 12.6 to 12.8;
- (b) terminate the Member's participation in SPECTRUM in accordance with Rule 12.6 to 12.8;
- (c) issue a letter of censure (*schriftlicher Verweis*) to the Member; or
- (d) any other course of action that the Operator deems reasonable and appropriate.

With respect to any of the actions (a)-(d) above, the Operator may decide to publish the fact that it has taken such action and explain the reasons why where it deems such publication appropriate, subject to Applicable Regulations.

## **12 Termination, Amendment and Suspension**

**12.1** A Member must give the Operator 60 calendar days' notice of its intention to resign from participation in SPECTRUM.

**12.2** A Member's resignation is not effective, and the Rules will continue to bind the Member until (as determined by the Operator):

- (a) all the Member's outstanding Orders or Quotes have been matched, cancelled or withdrawn;
- (b) all outstanding obligations of that Member with respect to Transactions have been performed; and
- (c) all other outstanding obligations of that Member under the Rules have been performed.

The Operator shall confirm (a) to (c) in writing to the resigning Member.

**12.3** The Operator may, on 30 calendar days' prior notice, terminate the operation of SPECTRUM for any reason. In addition, the Operator will publish a Website Notice on Spectrum website.

**12.4** In the event of a termination for any reason, upon request by the Operator, the Member shall, at the Operator's discretion, return to the Operator or destroy all hardware, software, and

documentation the Operator may have provided to the Member (including in connection with the use of any Electronic Trading Service) and any copies thereof.

- 12.5** Without prejudice to any other Rules which are expressed to survive termination of a Member's participation, Rules 1 (*Definitions*), 11 (*Monitoring, Investigations and Sanctions*), 14 (*Complaints and Compensation*), 17 (*Confidentiality*), 19 (*Liability*), 20 (*Governing Law and Jurisdiction*) and 21 (*Severability Clause*) will survive termination of a Member's participation in SPECTRUM.
- 12.6** The Operator may, by notice to the relevant Member, amend, suspend, or terminate a Member's access to or Membership of SPECTRUM at any time, subject to Applicable Regulation.
- 12.7** Subject to Rule 12.8, in case of an amendment, suspension or termination of a Member's access or Membership with SPECTRUM, the amendment, suspension or termination of a Member's access or Membership shall take effect thirty (30) days after receipt of the amendment, suspension or termination notice, as the case may be.
- 12.8** The amendment, suspension, or termination of a Member's access to, or Membership with SPECTRUM for serious cause (*wichtigem Grund*) shall occur with immediate effect, in particular, if the Member:
- (a) fails to comply with any of its obligations under the Rules;
  - (b) does no longer meet any or several of the relevant Eligibility Criteria;
  - (c) has, in the reasonable opinion of the Operator, engaged or had the intention to engage in Prohibited Behaviour;
  - (d) objects to an amendment to the Rules and such objection would lead to different versions of the Rules being applicable to several Members; or
  - (e) is not compliant with regulatory requirements, provided that such non-compliance with such requirements may, in the reasonable opinion of the Operator, materially impair the proper fulfilment of the obligations under its Membership Agreement, Market Maker Agreement or Liquidity Provider Agreement.

Before terminating access to, or its Membership with, SPECTRUM for serious cause (*wichtigem Grund*), the Operator shall assess – taking into account all relevant circumstances of the specific case – if it is reasonable (*zumutbar*) to set an appropriate grace period to remedy the serious cause.

- 12.9** If at any time an Insolvency Event has occurred with respect to a Member, the termination of the Member's access and Membership of SPECTRUM shall occur with immediate effect as of such date.
- 12.10** A Member whose participation has been suspended shall remain subject to the Rules but will not be able to participate on SPECTRUM. A Member whose participation has been terminated shall remain subject to, and comply with, the Rules in respect of acts and omissions as long as it is a Member.
- 12.11** A Member whose participation has been suspended or terminated will also remain subject to the Rules in respect of any outstanding obligations with respect to Transactions it has entered into or otherwise under the Rules.

### **13 Conflicts of Interests, Relationship between Member and Operator**

- 13.1** The Operator or an Affiliated Company may have an interest in an arrangement that may conflict with interests of Members in relation to Orders or Quotes executed on SPECTRUM (Conflicts of Interest). The Operator will ensure that such Conflicts of Interest are effectively managed and are not detrimental or unfairly prejudicial to Members and, where appropriate, Membership Applicants and Financial Instrument Applicants. If this cannot be ensured with reasonable confidence, the Operator will disclose to the Members and, where appropriate, Membership Applicants and Financial Instrument Applicants the general nature and sources of Conflicts of Interest and the steps taken to mitigate those risks before undertaking business on their behalf. A summary of Conflicts of Interest of the Operator is published on the Website.
- 13.2** The relationship between the Member and the Operator will not give rise to any fiduciary duties on the part of the Operator which would oblige the Operator to accept responsibilities more extensive than those set out in the Rules or Applicable Regulations, nor prevent or hinder the Operator or any Affiliated Company in providing any service referred to in the Rules or in doing any other business with or for the Member or any associated company of the Member.

### **14 Complaints and Compensation**

- 14.1** Details of Operator's complaints procedures are published on the Website.
- 14.2** The Operator is covered by the Entschädigungseinrichtung der Wertpapierhandelsunternehmen ("EdW") in accordance with the German Investor Compensation Act (*Anlegerentschädigungsgesetz*). A Member may be entitled to compensation from the EdW if the Operator cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation arrangements is available on the Website and from the EdW website (<https://www.e-d-w.de/>).

### **15 Communications and Website Notices**

- 15.1** All notices (other than Website Notices) to be given between the Operator and a Member shall be directed to such address as agreed in the Membership Agreement or notified from time to time by the relevant party in accordance with the Membership Agreement. Notices must be given in writing (including by email) and in the English language.
- 15.2** Website Notices shall be posted by the Operator on the Website and shall, unless otherwise specified in the Rules or the Notice, become immediately effective after their respective posting on the Website and will be available on the Website for at least three Business Days.

### **16 Electronic Trading Service, Software and Market Data**

#### Electronic Trading Service

- 16.1** Where the Operator grants the Member access to the Electronic Trading Service it shall grant the Member, for the term of its Membership, a personal, limited to the purpose of receiving the Electronic Trading Services, non-exclusive, revocable, non-transferable, and non-sublicensable license to use the Electronic Trading Services pursuant to and in strict accordance with the Rules. The Operator may provide certain portions of the Electronic Trading Services under license from third parties, and the Member will comply with any

additional reasonable customary restrictions on its usage if the Operator notifies the Member of such restriction reasonably in advance providing substantial reasons for the amendment, unless the Member terminates the Membership Agreement in writing for serious cause (*wichtiger Grund*) due to the unilateral amendment of the Rules and subject to Rule 12.2.

- 16.2** The Operator is providing the Electronic Trading Services to the Members only for the purpose of trading on SPECTRUM and subject to the Rules. Members may not sell, lease, or provide, directly or indirectly, the Electronic Trading Services or any portion of the Electronic Trading Services to any third-party except as expressly permitted by the Rules. The Members acknowledge that all proprietary rights in the Electronic Trading Services are owned by the Operator or by any applicable third-party licensors or service providers selected by the Operator providing the Operator with all or part of the Electronic Trading Services or providing the Member with access to the Electronic Trading Services, or their respective licensors, and are protected under copyright, trademark and other intellectual property laws and other applicable law. The Members receive no copyright, intellectual property rights or other rights in or to the Electronic Trading Service, except those specifically set out in the Rules. The Member will not violate the proprietary rights in the Electronic Trading Service and comply with reasonable requests from the Operator upon reasonable notice to protect the rights in the Electronic Trading Service. If the Member becomes aware of any violation of any proprietary rights in the Electronic Trading Services, the Member will notify the Operator without undue delay (*unverzüglich*).

#### Software

- 16.3** In the event that a Member receives any data, information, or software via the Electronic Trading Service other than that which it is entitled to receive pursuant to the Rules, provided that the Member is aware or should have been aware of that, it will notify the Operator without undue delay (*unverzüglich*) and will not use, in any way whatsoever, such data, information or software.
- 16.4** Certain Underlying Markets require that their Underlying Market data will not be viewed or accessed by a Member on more than one System at any one time. The Member will comply with any reasonable customary restrictions that the Operator applies in relation to its access of the Electronic Trading Service and ability to view Underlying Market data if the Operator notifies the Member of such restriction reasonably in advance providing substantial reasons for the amendment, unless the Member terminates the Membership Agreement in writing for serious cause (*wichtigen Grund*) due to the unilateral amendment of this Rulebook.
- 16.5** The Member will take all reasonable steps to safeguard (i) the System against computer viruses, worms, software bombs or similar items or (ii) the software the System uses to access the Electronic Trading Services.
- 16.6** SPECTRUM and its licensors (as the case may be) will retain the intellectual property rights in all elements of any software and databases contained within the Electronic Trading Services and the Member will not in any circumstances, obtain title or interest in such elements.

#### Market Data

- 16.7** SPECTRUM may, from time to time, operate in accordance with certain waivers from the pre-trade transparency obligations under Article 9 MiFIR. To the extent any such waiver is not available, the Member agrees that the Operator will publish information on Orders or Quotes in accordance with its obligations under MiFIR.

**16.8** With respect to any market data or other information that the Operator or any third-party service provider provides to the Member in connection with the use of the Electronic Trading Services:

- (a) subject to Rule 19.2, the Operator and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect;
- (b) subject to Rule 19.2, the Operator and any such provider are not responsible or liable for any actions that the Member takes or does not take based on such data or information;
- (c) the Operator will use such data or information solely for the purposes set out in the Rules;
- (d) such data or information is proprietary to the Operator and any such provider, and the Member will not retransmit, redistribute, publish, disclose, or display in whole or in part such data or information to third parties except as required by Applicable Regulations;
- (e) the Member will use such data or information solely in compliance with the Applicable Regulations; and
- (f) the Member will pay such market data charges and any applicable taxes associated with its use of an Electronic Trading Service as the Operator separately agrees with the Members.

**16.9** In addition to the above, in respect of certain types of Underlying Market data that the Member elects to receive via the Electronic Trading Service, the Member agrees to reasonable customary terms and conditions relating to the redistribution and use of such data if the Operator notifies the Member of such restriction reasonably in advance providing substantial reasons for the amendment. The Member may refrain from receiving these types of Underlying Market data after review of the terms and conditions applicable to the redistribution and use of such data.

## **17 Confidentiality**

**17.1** For the purposes of this Rulebook, confidential information shall include information about the disclosing party's (or any of its Clients') business activities relating to SPECTRUM or a Member that is proprietary and confidential, which shall include:

- (a) all business, financial, technical, and other information of a party relating to SPECTRUM or a Member or marked by such party as "confidential" or "proprietary";
  - (b) information relating to SPECTRUM or a Member that, by nature of the circumstances surrounding the disclosure, ought in good faith to be treated as confidential; and
  - (c) the Operator's source code,
- together, "**Confidential Information**".

**17.2** Confidential Information shall not include information that:

- (a) is in or enters the public domain without breach of the Rules;
- (b) the receiving party lawfully received from a third party, provided that the third party is not bound by an obligation of confidentiality with respect to such information (and the disclosing party is aware or made aware by the other party of this fact);

- (c) the receiving party knew prior to receiving such information from the disclosing party or develops independently without reference to the Confidential Information of the disclosing party; or
- (d) comprises aggregated and anonymised transaction data resulting from Members' use of SPECTRUM.

**17.3** The Operator and each Member agree that subject to Rule 17.4 below, it will:

- (a) not disclose to any third party or use any Confidential Information disclosed to it by the Operator or a Member, as applicable (the "**Disclosing Party**") except as provided in the Rules; and
- (b) will take all reasonable measures to maintain the confidentiality of all Confidential Information of the Disclosing Party in its possession or control, which will in no event be less than the measures it uses to maintain the confidentiality of its own information of similar importance.

**17.4** The Operator and each Member may disclose Confidential Information:

- (a) to the extent requested by a court of competent jurisdiction or other governmental, regulatory, or self-regulatory authority or otherwise as required by Applicable Regulations, provided that, subject to Applicable Regulations, such party shall inform the other party reasonably in advance about the disclosure in order to enable the other party to take precautionary actions;
- (b) its respective attorneys, consultants and agents on a need-to-know basis in connection with their duties as long as such persons are notified of the confidential nature of such information and their obligation to protect it as confidential and are bound by confidentiality undertakings consistent with this Rule 17;
- (c) where the Disclosing Party has agreed to such disclosure; and
- (d) to the extent the disclosure is necessary to facilitate the clearing, settlement and trading of a Transaction or orderly trading on SPECTRUM.

## **18 Force Majeure**

If the Operator determines that a Force Majeure Event has occurred it will inform BaFin and take reasonable steps to inform the Members immediately or where possible in advance (if possible, by way of a Website Notice), including

- (a) suspending or modifying the application of all or any of the Rules to the extent that the Force Majeure Event makes it impossible for the Operator to comply with such Rules;
- (b) cancellation of Orders or Quotes;
- (c) revoke the listing of an Eligible Financial Instrument;
- (d) amending or suspending the access to SPECTRUM; or
- (e) terminating access to SPECTRUM in accordance with Rules 12.6 to 12.9.

It shall be the sole responsibility of the respective parties to a Transaction to decide about the continuance or amendment of such Transaction upon the occurrence of a Force Majeure Event.

## **19 Liability**

- 19.1** The Members shall be liable for wilful misconduct (*Vorsatz*) and negligence (*Fahrlässigkeit*). If a Member causes any damages (*Schäden*) to the Operator, such damages shall in particular include any loss and properly incurred legal fees (including any applicable VAT).
- 19.2** The Operator or any of its Representatives shall only be liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) unless the Operator violates any of its essential obligations (*wesentliche Vertragspflichten*) under the Rulebook. The limitation of liability shall not affect the statutory liability for damages incurred as a result of injury to life, body or health as well as the liability pursuant to the Product Liability Act.

## **20 Governing Law and Jurisdiction**

- 20.1** Unless provided otherwise, the rights and obligations arising out of, and in connection with, this Rulebook shall be governed by the substantive laws (*Sachrecht*) of the Federal Republic of Germany excluding German private international law.
- 20.2** Any non-contractual rights and obligations arising out of, and in connection with, this Rulebook shall be governed by the substantive laws (*Sachrecht*) of the Federal Republic of Germany excluding German private international law.
- 20.3** Exclusive place of jurisdiction for all disputes arising out of, or in connection with, this Rulebook is Frankfurt am Main.

## **21 Severability Clause**

If any provision contained in this Rulebook is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected. Such invalid, illegal or unenforceable provision shall be replaced by means of supplementary interpretation (*ergänzende Vertragsauslegung*) by a valid, legal and enforceable provision, which most closely approximates the Parties' commercial intention. This shall also apply mutatis mutandis to any gaps (*Vertragslücken*) in this Rulebook.