

## DIRECT ELECTRONIC ACCESS MODULE

This Module to the Terms of Business forms an integral part of, and must be read in conjunction with, the Terms of Business.

### 1. SCOPE

- 1.1 **Direct Electronic Services:** The provisions in this Direct Electronic Access Module apply to your use of any Direct Electronic Access Services supplementing the terms of the Electronic Services Module.

### 2. DEFINITIONS

- 2.1 **Defined terms:** All defined terms have the meanings set out in the General Terms of Business. Additionally, for the purposes of this Module:

"**Algos**" means algorithms; and

"**Direct Electronic Access Services**" means the Electronic Services that are provided specifically under this Direct Electronic Access Module, pursuant to which we agree to provide you with direct electronic access to markets.

### 3. DUE DILIGENCE, ACCESS AND SECURITY

- 3.1 **Due Diligence:** You acknowledge and agree that we may: (a) prior to the provision of a Direct Electronic Access Service; and (b) on an annual basis thereafter (or as frequently as may be required by Applicable Regulations) conduct a due diligence assessment to ensure you meet relevant Applicable Regulations. You undertake to notify us of any material change that may affect our due diligence assessment.
- 3.2 **Access:** Once you have gone through the security procedures associated with a Direct Electronic Access Service provided by us, you will get access to such service, unless agreed otherwise or stated on our website.
- 3.3 **Security procedures:** We may change the security procedures of a Direct Electronic Access Service at any time and will inform you of any such change as soon as reasonably possible.

### 4. PRE-TRADE RISK CONTROLS

- 4.1 **Mandatory controls:** Unless otherwise agreed by us, you must ensure that all orders transmitted through the System(s) are subject to the following automated pre-trade risk management controls, which apply to all products:
- (a) maximum order size;
  - (b) maximum intraday position by product including working orders;
  - (c) price tolerance checks measured as follows:
    - (i) for derivatives, as a number of ticks as compared to the last traded price or the previous closing or settlement price if the last traded price is not available; or

- (ii) for Equity Securities, as a percentage as compared to the last traded price or the previous closing price;
  - (d) maximum Loss.
- 4.2 **Additional controls:** The controls in section 4.1 of this Module may be supplemented at our discretion and will inform you of any additional controls as soon as reasonably possible. You acknowledge and agree that we may carry out, whenever necessary, a review of your pre-trade risk controls. You will, as soon as reasonably practicable following a request by us, provide such information and access to information that we may reasonably require to carry out such a review.

## 5. TESTING AND USE OF ALGOS

5.1 **Testing:** Any element of the System(s) under your control should meet the Futures Industry Association Testing Guidelines, as may be amended from time to time.

5.2 **Use of Algos:** With respect to the use of any algorithms Algos, you understand and agree that:

- (a) such use presents potential losses and risks (economic and otherwise), and that you are capable of assuming and willing to assume (financially and otherwise) those potential losses and risks and you have determined that use of Algos is appropriate and prudent in all respects and does not and will not violate any constitutive documents, statute, rule, regulation, judgment, or decree to which you are subject;
- (b) you have taken appropriate safeguards with respect to your use of Algos and have successfully tested its application to various scenarios (e.g., flash crash, unemployment event, volatile/fast market, huge volume, extremely light day, happy markets, no bids/offers, no trades, etc.);
- (c) you will continue to monitor and adequately supervise your use and the functionality of your running Algos; and
- (d) you will at all times comply, in all material respects, with the terms of all applicable authorisations, consents and approvals, as well as the rules and requirements, of any trading venue, market, execution facility, clearing organisation, governmental, regulatory or self-regulating organisation, other regulatory body, or authority with respect to your use of Algos.

## 6. OUTAGE AND INCIDENTS

6.1 **Outage escalation:**

- (a) In case of emergency, such as observed abnormal trading behaviour or loss of trading system control, you agree to take timely action to mitigate the situation when requested by us.
- (b) Outage and incidents on the System(s) should be reported and escalated immediately to us if it affects a trading venue or the System(s), or if you could not perform regular trading or have potential for financial loss.

6.2 **System failures:** With respect of your use of Direct Electronic Access Services, you should keep or cause to be kept incident reports for all System(s) failures including:

- (a) a clear explanation of the problem;
- (b) the time of outage or delay;
- (c) the duration of outage or delay;
- (d) the systems affected during outage or delay and subsequently;
- (e) whether this problem or a related problem has occurred before;
- (f) the steps taken to rectify the problem; and
- (g) steps taken to ensure that the problem does not occur again.

## 7. MARKET RISKS

7.1 **Software and hardware systems:** You acknowledge and agree that trading through the System(s), which are not our proprietary systems, and on exchanges offering electronic trading systems, will expose you to the risks associated with software and hardware systems or component failures and market conditions. The results of such failures may be that you are unable to enter or cancel an order, an order is not executed, or is executed incorrectly. Market conditions on electronic exchanges may delay the execution of an order of the receipt or confirmation of order execution, or there may be a significant difference in the market quotation received prior to entering an order at its execution price.

7.2 **No alteration of obligations:** You further acknowledge and agree that the failure, inadequate performance or non-performance (including, but not limited to, omissions or time delays in the entry or transmission of orders, executing orders or reporting or confirming executed trades), or malfunction of Front-End, including the FIX Connection, the System(s) or the exchange system or trading platform or facility shall not in any way alter, or otherwise affect, your obligation to comply with this Module, the General Terms of Business, the Electronic Services Module and the terms of any relevant trading venue, including, but not limited to, the requirement to satisfy all margin calls for all resulting trades or positions in contracts, as the case may be, in a timely manner.