



42FS OTF RULEBOOK

Of 2nd January 2026

The leading wholesale trading venue and broker
for energy and financial products in the CEE region.

42 | FINANCIAL
SERVICES

1 Interpretation and Definitions

1.1 Interpretation

Unless the context otherwise requires, headings are inserted for convenience only and do not affect the construction of the Rulebook.

These Rules supplement and form part of the Agreement. In the event of a conflict between the Agreement and these Rules, these Rules shall take precedence.

References to statutes, statutory instruments, rules of the Regulator or provisions thereof shall be construed as references to any of the foregoing as they may be amended, extended, varied or replaced from time to time.

Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa. Words used in the masculine gender include the feminine and neuter. A reference to persons in this Rulebook shall include a reference to legal persons and natural persons as the context requires.

42FS operates an OTF offering trading in financial instruments and energy commodity products. The OTF is a hybrid platform which incorporates a Non-voice trading system and a Voice trading system operated by teams of brokers. All Transactions executed through the OTF are arranged by 42FS.

Any reference to times in this Rulebook shall be to local Prague time.

Unless specified otherwise, this Rulebook governs Orders submitted by Clients through both the Non-voice trading system and the Voice trading system of the 42FS OTF.

1.2 Definitions

42FS: 42 Financial Services a.s., ID No: 284 92 722, with its registered office at Klimentůvská 1216/46, Prague 110 00

42FS OTF: The Organised Trading Facility operated by 42FS which is authorised by the Regulator

Affiliates: In respect of any party, Persons who control and/or are controlled by or are under the common control of such party

Agreement: The agreement(s) governing the Client's access to and use of the 42FS OTF, which may include without limitation any of the following items which apply to the Client: 42FS Agreement on Access to the 42FS Trading system and Provision of Related Services and/or 42FS Terms and Conditions, and any other associated terms concerning use of the 42FS OTF and any document referred to therein. For the avoidance of doubt the Agreements shall include this Rulebook.

Applicable Law: Any statute, law, regulation, rule or guidance of any competent regulatory authority applicable to a person, including similar foreign laws or regulations, as amended

Applicant: A Person who applies to become a Client in accordance with this Rulebook, this includes potential Clients.

Business Day: Any day between and including Monday to Friday and excluding public holidays and weekends.

Clearing House: A financial institution facilitating the settlement of the Matched Trade.

Client: A person authorised by the 42FS to participate on 42FS OTF in accordance with the Rulebook.

Client Representative: Any employee, director, officer, partner, agent or other representative of a Client who has been authorised by the relevant Client and 42FS to represent the Client in matters of the Agreement.

Default Event: Where an event or circumstance leads the 42FS to determine in its sole discretion that Client is or appears to be unable or likely to become unable to meet its obligations in respect of an Order or Trade or to comply with any other obligation under the Rules or the Agreements or breaches a law relevant to its business as a Client.

Direct Electronic Access or DEA: means an arrangement where a Client permits a person to use its trading code so the person can electronically transmit Orders relating to an Eligible Instrument directly to the OTF and includes arrangements which involve the use by a person of the infrastructure of the Client, or any connecting system provided by the Client to transmit the Orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access).

Documentation: The agreement(s) between two Clients containing the underlying terms and conditions that govern the contractual obligations in respect of Trades in the Eligible Instrument between those two Clients.

Electronic trading system: A combination of the Non-voice trading system and the Voice trading system used by 42FS to facilitate the submission, interaction, and matching of Orders leading to the execution of Trades on the OTF.

Eligibility Criteria: The criteria for eligibility for Participation on 42FS OTF as set out in this Rulebook.

Eligible Instrument: The instrument or instruments available to trade on the 42FS OTF in accordance with 42FS Product schedule as published on 42FS Website.

Emergency: Any occurrence or circumstance which threatens or may threaten such matters as the fair and orderly trading in, or the liquidation of or delivery pursuant to an Eligible Instrument, and which, in the opinion of 42FS, requires immediate action, including: any manipulative or attempted manipulative activity; any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; any circumstances which may materially affect the performance of Eligible Instrument, including default, bankruptcy or insolvency of any Client; any action taken by any competent regulatory authority, regulated market, OTF or any other market, facility or clearing organization which may have a direct impact on trading on the 42FS OTF or clearing and settlement of an Eligible Instrument; and any other circumstance which may have a severe, adverse effect upon the functioning of 42FS.

EMIR: Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

Erroneous Order: An Order submitted to 42FS OTF in error either as to price, quantity, currency, direction, Eligible Instrument.

Error Trade: A Trade made on the 42FS OTF in error as to price, quantity, currency, direction or Eligible Instrument. Without limitation, the unavailability of counterparty credit shall not by itself render a Trade an Error Trade.

Indication of Interest: A non-firm expression of trading interest by a Client, or Registered Trader containing the following: buy or sell interest or quantity and price.

Insolvency Event: Where a Client or its parent company (whether direct or indirect) or ultimate holding company:

is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more creditors with a view to rescheduling its indebtedness; or

has assets whose value is less than their liabilities; or

has a moratorium declared in respect of their indebtedness; or

is subject to any similar events or analogous proceedings in relevant jurisdictions.

MAR: Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC as amended.

Match or Matched: The match of a buy Order with a sell Order on the 42FS OTF in accordance with this Rulebook.

MIC Code: A market identifier code.

MiFID II: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU as amended.

MiFIR: Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as amended.

NATIONAL ID: The identifier is that set out in Article 6 and Annex II to Commission Delegated Regulation (EU) 2017/590

Nominee: A Person nominated by a Client to become a Sponsored Access Firm.

Non-voice trading system: trading system operating via an electronic platform (Trayport/Sphirra on Energy desk/Matching on IDB desk).

OTF: An organised trading facility as defined by Article 4 (1) (23) MiFID II in which the execution of orders is carried out on a discretionary basis.

Order: Any bid or offer to buy or sell an Eligible Instrument according to the Rules, includes any modification or cancellation of such a bid or offer but does not include an Indication of Interest.

Order Book: The 42FS OTF facilities made available by the 42FS for the submission of Orders and the Match of Trades.

Participation: A Client's activity on 42FS OTF

Registered Trader: A user of the 42FS OTF being a Client's authorised employee, officer, agent, affiliate or designee as notified to the 42FS by Client to act on their behalf with regard to Trades.

Regulator: The Czech National Bank or any other relevant supervisory authority.

Relevant regulator: The regulator which is, according to article 57(1) and (6) MiFID II, authorised to set a position limit with respect to the positions held in critical or significant commodity derivatives.

REMIT: Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency

REMIT products: Wholesale energy products.

Responsible Persons: Client Representative who is authorised to communicate on behalf of the Client with 42FS.

RTS 7: COMMISSION DELEGATED REGULATION (EU) 2017/584 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements of trading venues, as amended.

RTS 22: COMMISSION DELEGATED REGULATION (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities, as amended.

RTS 25: COMMISSION DELEGATED REGULATION (EU) 2017/574 of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks

Rules: The rules set out in this 42FS OTF Rulebook as amended.

Rulebook: The Rules governing the operation of the 42FS OTF in force as amended.

Trade or Transaction: Any sale or purchase of an Eligible Instrument that takes place on the 42FS OTF.

Trading Day(s): The day(s) on which the 42FS OTF is made available to Clients.

Trading Hours: The hours during a Trading Day(s) which the 42FS OTF is scheduled to operate in respect of such Eligible Instruments.

Voice: means communication between Client(s) and 42FS by means of telephone, instant messenger or email that were approved as such by 42FS.

Voice trading system: trading system operated via Voice.

Website: website www.42fs.com.

2 General Provisions

42FS acts honestly, fairly and professionally and in accordance with the best interests of its Clients and complies with the principles set out in the relevant regulatory obligations. 42FS understands the financial instruments traded on 42FS OTF. 42FS appropriately informs its Clients or Applicants about itself and its services, traded financial instruments, its trading venue and all costs and related charges. All information addressed by 42FS to Clients or Applicants is being provided on a fair, clear and not misleading basis.

3 Trading Facility

The OTF (42FS OTF) is operated by 42FS for the purpose of permitting the interaction of third-party buying and selling interests in various financial instruments in the system in a way that results in a contract.

4 Participation

4.1 Application Procedure

An Applicant may apply to become a Client of the 42FS OTF at any time by submitting an application, including all relevant supplementary materials, in the form and manner required by 42FS.

Participation is open to any Applicant who meets the Eligibility Criteria (Section 5 of the Rulebook) and who commits to these Rules, the Agreements, and any guidance or other requirements of 42FS.

42FS may require the Applicant to demonstrate that the Eligibility Criteria are met, as outlined in Section 5 of the Rulebook.

42FS may in its absolute discretion approve or reject applications or approve an application subject to such conditions and/or restrictions as it considers appropriate.

42FS shall notify the Applicant of its decision to admit the Applicant as a Client.

Where an application is approved by 42FS, Clients will be authorised and permissioned to participate on the 42FS OTF as may be detailed in the above notice.

Clients shall not permit or allow any third party (whether an Affiliate of the Client or otherwise) to access the 42FS OTF, for example via Direct Electronic Access, unless authorised to do so by 42FS.

42FS may consider an application from a Client who wishes to provide DEA to the 42FS OTF for one or more of their clients. To enable 42FS to assess such a request, Clients shall be required to provide information in respect of their underlying client and fulfil such other requirements as may be specified by 42FS. 42FS may refuse such application or impose conditions on any approval granted in respect of such application. 42FS shall also have the power to rescind or modify any such approval after being granted. In case an application to provide DEA to the 42FS OTF is approved by 42FS, Clients shall be required to enter into a DEA agreement with 42FS in a form determined by 42FS.

5 Eligibility

5.1 Eligibility Criteria

The Client must not be a natural person and shall meet and shall continue to meet all of the following Eligibility Criteria throughout its Participation:

satisfies 42FS's internal client on-boarding requirements, and

is either a regulated investment firm, a credit institution, or a commodity and commodity derivatives dealers or satisfies 42FS as required that it is fit and proper to become a Client, with adequate organisational arrangements in place and sufficient level of trading ability and competence; and

has Agreement in place with 42FS; and

has all registrations, authorisations, approvals and/or consents required by Applicable Law in connection with trading Eligible Instruments on the 42FS OTF; and

has adequate experience, knowledge and competence to trade Eligible Instruments on the 42FS OTF (including Client's Registered Traders); and

is authorised to trade in Eligible Instruments; and

trades on the 42FS OTF on its own account without any regulatory limitations other than standard limitations, except where agreed otherwise with 42FS; and

satisfies 42FS as to its adequate arrangements for entering into Trades, order management, clearing (if relevant) and settlement of all Trades executed on the 42FS OTF; and

passes any required "know your customer" check and anti-money laundering check; and

has adequate internal controls that are reasonably designed to promote fair and orderly trading on the 42FS OTF, minimise trading errors, preserve the integrity and stability of the 42FS OTF and prevent breaches of the Rules and of Applicable Law; and

is able to provide 42FS (if requested) with such information as 42FS may require in relation to the validity of any Order or Trade; and

has adequate organisational procedures and controls to limit Error Trades and the submission of Erroneous Orders to the 42FS OTF; and

is able to satisfy the technical specifications and standards required by 42FS for Participation on the 42FS OTF; and

has appropriate arrangements for the orderly settlement of Trades in the Eligible Instruments on the 42FS OTF; and

meets such further Eligibility Criteria as 42FS may prescribe from time-to-time with regard to Participation.

42FS OTF may institute such investigations as it deems necessary to verify information provided by the Client. 42FS OTF may require the Client or one or more representatives of the Client to attend an interview with 42FS OTF.

The Client must at all times ensure compliance with the Eligibility Criteria under these Rules.

5.2 Registered Traders

Each Client shall designate one or more Registered Traders, in accordance with such procedures as may be established by 42FS for such purpose.

Each Registered Trader must abide by the Rules, the Agreements and Applicable Law prior to accessing the 42FS OTF.

The Client is responsible for any act and conduct of the Registered Trader(s).

For the avoidance of doubt, any Client that is permitted by 42FS to access the 42FS OTF through an automated trading system shall designate such automated trading system as a Registered Trader. In such case, the Client shall ensure that the automated trading system complies with the Rules, the Agreements, and all Applicable Law prior to and during any access to the 42FS OTF. The Client shall provide 42FS with at least the following information about each Registered Trader, depending on the regulatory classification of Eligible Instruments:

(A) MiFID II Financial Instruments

For each Registered Trader authorised to access or trade financial instruments within the meaning of MiFID II (including financially settled commodity derivatives), the Client shall provide:

1. Full name and surname
2. Nationality
3. National identifier (as specified in the RTS 22 / RTS 24 identification hierarchy)
4. Confirmation of the role as *Investment Decision Maker* and/or *Execution Decision Maker* (if applicable)

5. Algorithmic Trading System Identifier (if applicable, pursuant to RTS 22 and RTS 24)

(B) REMIT Wholesale Energy Products

For each Registered Trader authorised to trade wholesale energy products subject to REMIT, the Client shall provide:

1. Market Participant Identifier (ACER Code) of the Client, mapped to the respective Registered Trader
2. Beneficial Owner Identifier (ACER Code), if different from the Client

In addition to the information provided above, the Client shall provide 42FS at least the following information about each DEA user:

where the DEA user is a natural person, the NATIONAL ID of the DEA Registered Trader;

where the DEA user is a legal person LEI code of the DEA Registered Trader.

Each Client shall ensure on an ongoing basis that:

each of its Registered Traders has obtained necessary and relevant qualifications pursuant to any Applicable Law; and

none of its Registered Traders are subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto); and

each of its Registered Traders is technically proficient and conducts its business on the 42FS OTF in a fair and orderly manner.

42FS may in its sole discretion revoke, suspend, condition or limit the designation of a Registered Trader and shall promptly notify the relevant Client of such action.

Each Client is responsible for monitoring the list of its Registered Traders and must provide prompt notice to 42FS of any changes to the list of its Registered Traders.

To request the termination of the designation of an individual as a Registered Trader, a Client must follow the procedures established by 42FS for such purpose in 42FS Terms and Conditions, provided that a Client may at any time instruct 42FS to immediately terminate the designation of one or more of its Registered Traders.

Each Client shall be held accountable for the actions of its Registered Traders on the 42FS OTF.

A Client may, from time to time, designate a person or automated trading system as a DEA Registered Trader and each DEA Registered Trader so designated shall be subject to all of the obligations, responsibilities and requirements imposed on Registered Traders pursuant to these Rules.

5.3 Responsible Persons

A Client may designate one or more Responsible Persons in accordance with such procedures and eligibility criteria as may be established by 42FS for such purpose in 42FS Terms and Conditions.

A Client's Responsible Person(s), if any, shall be responsible for any and all communications between such Client and 42FS and any and all notices or other communications sent to such Responsible Person(s) by 42FS will be binding on such Client.

5.4 OTF Model

42FS operates an OTF. The OTF is a hybrid platform which incorporates the Non-voice trading system and Voice trading system. All Transactions executed through the OTF are arranged by 42FS.

42FS provides services utilising a hybrid broking model for Eligible Instruments.

Orders and indications of interest may be entered into the OTF through the Electronic trading system, represented by various trading software, telephone, direct line, email, Bloomberg chat or instant messenger.

Registered Traders may submit Orders onto the 42FS OTF via Electronic trading system with all such Orders being governed by these Rules.

42FS Broker may submit Orders onto the 42FS OTF Order Book via Electronic trading system on behalf of Clients. In such case:

- (a) 42FS Broker shall, if he accepts an Order in his discretion, submit all Orders as soon as reasonably practicable after instructions to place the Orders are received.
- (b) 42FS Broker shall not, if accepted an Order in his discretion, amend, delete, cancel, correct, or otherwise alter any Orders on the Order Book submitted by a Registered Trader, unless the Broker exercises his discretion to do so.
- (c) All such Orders and resulting Trades shall be governed by these Rules.

Orders submitted to the 42FS OTF are available to 42FS brokers. In such case:

Any resulting trades shall be governed by these Rules.

Where an Order is no longer available for execution on the 42FS OTF it is the Client's responsibility to remove such Order(s) if the Broker did not apply his discretion to remove such Order himself.

42FS Broker may use information on the 42FS OTF as a price discovery mechanism for its broking facilities. In such case any resulting Trades shall be governed by the Rules.

42FS Broker shall receive a fee for its services.

42FS Broker is not able to enter Orders on behalf of non-Clients.

5.5 Client Obligations

Client will at all times ensure its continuing compliance with these Rules, the Agreement and all Applicable Laws and regulations.

Client must notify 42FS in writing, including via e-mail, the information about those individuals authorised by the Client to be Registered Traders of the 42FS OTF.

In respect of business conducted on the 42FS OTF, a Client shall be responsible for all the acts, omissions, conduct and activity of its Registered Traders and/or DEA Registered Traders.

Client must ensure its Registered Traders have sufficient training, are adequately supervised and have adequate experience, knowledge and competence to participate on the 42FS OTF in accordance with the Rules.

Client will be bound by any and all Orders submitted and any resultant Trades entered into by their Registered Traders or 42FS Broker acting on Client's behalf and request.

Client is responsible for complying with any security measures and procedures for authentication requested by 42FS from time to time and ensuring that only Registered Traders have access to the 42FS OTF.

Client is bound to co-operate with 42FS and any Relevant Regulator during any investigation that is conducted in relation to access to and trading on the 42FS OTF. Such co-operation shall include, providing access to information, documents, and any other reasonable request within the control of the Client. Client shall bear its own costs and expenses in connection with any such investigation. Client shall indemnify 42FS in full in respect of all costs and expenses reasonably incurred in connection with any investigation in so far as those costs relate to an investigation or any part of an investigation which relates to the Client's activity on 42FS OTF except to the extent that any such costs arise as a consequence of the fraud or wilful default of 42FS or as a consequence of any breach by 42FS.

Client shall notify 42FS, as soon as reasonably practicable, upon becoming aware of the occurrence (or likely occurrence) of any of the following events:

Client, or any of its Registered Traders, has breached or is otherwise unable to comply with the Rules - immediately upon becoming aware;

A change in the Client's ability to meet the Eligibility Criteria - immediately upon becoming aware;

Any material changes to the information provided to 42FS by such Client, including the identity of its Registered Trader(s), and/or Responsible Person(s), such as a change of name, contact details, legal status - at least five Business Days in advance of any change taking effect;

Any material damage to, failure or inadequacy of the systems, facilities or equipment the Client uses to connect to the 42FS OTF - immediately upon becoming aware;

To the extent that such event could reasonably have an effect on Client's use of the 42FS OTF, the commencement of any judicial or administrative proceeding by a governmental agency or the imposition of any fine, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any governmental agency - immediately upon becoming aware;

Any refusal of admission to, or involuntary withdrawal of any application for membership in any regulated market, MTF, OTF or other trading platform involving, arising from, or related to, the trading of any Eligible Instrument that is related to, the economic equivalent of, or the underlying product or asset of an Eligible Instrument;

Insolvency Event;

Any merger, acquisition, consolidation, combination, sale or any other material change of ownership of the Client - immediately upon becoming aware. In order to comply with the obligations for due diligence for members of trading venues according to RTS 7, each Client shall, before gaining access to the 42FS OTF and at least once a year, provide 42FS with confirmation that it complies with the standards set out below in connection with arrangements for use of 42FS's electronic order submission systems. Each Client must have in place:

adequate pre-trade controls on price, volume, value and usage of the system and post-trade controls on trading activities taking into account the nature, scale and complexity of its business;

suitably qualified staff in key positions including all trading and trading manager roles;

adequate resources and expertise to carry out technical and functional conformance testing in connection with use of the 42FS OTF;

a policy of use of the kill functionality;

in the case of any Client who provides Direct Electronic Access to its own clients, suitable risk management conditions and terms applicable to those clients. At least once a year, 42FS shall conduct a risk-based assessment of the compliance of Clients with the standards set out in section 0 above and may undertake additional revisions of Clients' compliance with the standards following the annual risk-based assessment.

5.6 Suspension, Termination or Resignation of Participation

42FS may at its absolute discretion and without liability restrict, suspend or terminate the Participation of a Client (and/or its Registered Traders) if, at any time:

Client or their Registered Traders are in breach of the Rules, Agreements or Applicable Law(s);

Client has failed to pay any dues, assessments or fees due to 42FS within thirty calendar days of the date of the applicable invoice;

Client suffers an Insolvency Event or it is reasonably likely that Client may become insolvent;

Client suffers a Default Event;

Client is subject to relevant enforcement or other proceedings by the Regulator;

Client ceases to meet the Eligibility Criteria;

In the event of an Emergency;

In any other circumstances where 42FS considers that restriction, suspension or termination is necessary to ensure or maintain orderly trading on the 42FS OTF.

42FS may terminate Participation at any time without any liability, regardless of Orders placed by the Client (i.e. during the Trading Hours).

42FS will notify Client in writing (including by email) of a decision to restrict, suspend or terminate its Participation.

Where a Client has given notice of its intent to resign from Participation on the 42FS OTF, the resignation is not effective and the Rules will continue to bind the Client until:

All of the Client's outstanding Orders have been Matched, cancelled or withdrawn. The former Client must immediately withdraw all unmatched Orders submitted by such former Client and their Registered Traders, failing which 42FS shall promptly cancel such unmatched Orders;

All outstanding obligations of the Client and their Registered Traders with respect to Trades have been performed;

All other outstanding obligations of the Client under the Rules (including without limitation the settlement of any outstanding dues, fees, assessments or fees) have been performed.

5.7 Sanctions

42FS may sanction a Client, or one or more of its and their Registered Traders, as part of its obligation to ensure the fair and orderly trading in the Eligible Instruments on the 42FS OTF.

The sanctions imposed may include, without restriction, the following:

A written warning;

Temporary suspension;

Imposition of conditions on access to the 42FS OTF;

Submitting a report of the activity in question to a Regulator;

Termination of Client's access to the 42FS OTF.

6 Trading Rules

6.1 General Information

42FS shall determine in its absolute discretion the Eligible Instruments listed for trading on the 42FS OTF and may, at any time and in its sole discretion, amend the Eligible Instruments listed for trading.

The 42FS OTF will be available for trading on the Trading Days as determined by 42FS. Trading is not permitted outside the Trading Day.

42FS shall inform Clients about Eligible Instruments in the 42FS OTF Product schedule.

42FS shall from time to time determine the Trading Days and Trading Hours in respect of each Eligible Instrument in 42FS Product schedule. Clients shall synchronize their Trading Hours with coordinated universal time (UTC) and shall ensure that their setting of Trading Hours is compliant with RTS 25.

42FS may announce, at its discretion, that commencement of the Trading Day be postponed, or that a Trading Day be extended beyond its scheduled duration.

Where possible, Clients will be given reasonable notice of any change to Trading Days.

42FS shall ensure that OTF has a MIC Code assigned to it and shall notify Clients of any changes or amendments to such MIC Code.

The 42FS OTF allows trading on a name give up basis only.

42FS will monitor the operation of OTF and all participating Clients and Registered Traders.

6.2 Orders

Clients will be bound by all Orders and/or any other information inputted by its Registered Traders or by 42FS Broker acting on the Client's behalf and request.

As applicable, Orders may be entered via the Electronic trading system.

Provided that the Registered Trader is permitted to trade the Eligible Instrument, the Registered Trader may submit an Order on the 42FS OTF in respect of that Eligible Instrument.

Subject to the 42FS OTF being available for trading, an Order may be submitted at any point during the Trading Day.

All Orders shown on the Order Book are available to be Matched.

Orders may be amended or cancelled by the Registered Trader who submitted them (or by 42FS Broker authorised to act as the Registered Trader's agent) at any point:

prior to being Matched;

if the Order is an apparent Erroneous Order;

if the Matching Orders would lead to breach of any provision of Rules, Agreement or Applicable Law.

42FS cannot cancel or void Order which has been Matched and settled. This discretion is held only by the parties to the Trade.

Clients must withdraw their Orders from the 42FS OTF immediately if they are no longer available for execution.

Orders are anonymous to other Registered Traders unless the Order belongs to their Client firm. 42FS Brokers have full market visibility and therefore see all Orders and Trade details including counterparties.

Each Order submitted into the 42FS OTF must be in the form, and contain the information, required by 42FS, otherwise such Order may not be accepted.

Each Order submitted into the 42FS OTF may be subject to certain limitations established by 42FS from time to time, including, without limitation, limits on: the number and/or size of Orders that may be submitted by a Client (or their Registered Traders); the number of Eligible Instruments that a Client (or its or their Registered Traders) may trade through the 42FS OTF; the maximum daily price fluctuation for one or more Eligible Instruments; and the frequency with which a Client (or its or their Registered Traders) may refresh a bid or offer.

An Order may contain one or more of the following designations depending on the Eligible Instrument:

Good for Day - means an Order which will be available for matching on 42FS OTF on the business day on which the order is submitted. Volume of the Order is introduced in the order book.

Good Till Cancelled - means an Order which will be available for matching on 42FS OTF until cancelled by Client. Volume of the Order is introduced in the order book.

Hidden Size - A reserve order includes a mandatory limit, an overall volume and an initial peak volume. The initial peak volume is the visible part of the reserve order and is introduced in the order book. The remaining volume of the order is stored in an order management facility. The initial peak volume is introduced in the order book with the original timestamp of the reserve order according to price/time priority. In continuous trading, as soon as the peak volume has been completely executed and a hidden volume is still available, a new peak volume (optionally with randomised volume) is entered into the book with a new timestamp, and the volume in the order management facility is reduced respectively. Minimum size of the Order in an OTF: 10 000 EUR. All unfilled Orders in respect of a given Eligible Instrument are removed from the Order Book at the end of the Trading day for such Eligible Instrument.

6.3 Use of Discretion

Orders and Indications of Interest are processed on a discretionary basis and can only be matched and executed by a 42FS Broker. 42FS Brokers use their discretion to match Orders and execute Transactions.

In the operation of its OTF, 42FS Broker may exercise discretion in the following circumstances:

When deciding to place or to retract an Order on the 42FS OTF;

When deciding not to match specific Order with Order available in the system at a given time provided that it is in compliance with specific instructions received from a Client and its best execution obligations.

42FS Broker has discretion to cancel any Transaction in circumstances where 42FS Broker, acting reasonably and after due investigation, believes that an error has been made in connection with such Transaction.

When matching Orders within the Electronic trading system 42FS Broker may review potential matches and exercise discretion as to whether to execute or not. No Transaction can be executed without a 42FS Broker's intervention.

6.4 Order Size

42FS may, at its sole discretion, set a minimum and/or maximum Order size, and any incremental sizes, for any 42FS Eligible Instrument. Any Order not fulfilling minimum or exceeding the maximum Order size requirements will be rejected by the 42FS OTF.

6.5 Indication of Interest

An Indication of Interest is a non-binding indication of interest in an Eligible Instrument that is not executable.

An Indication of Interest may be submitted into the 42FS OTF, provided that the Client submitting the Indication of Interest has a reasonable basis for the quantity and/or price submitted and maintains records evidencing such reasonable basis.

6.6 Methods of Execution

42FS maintains evidence of Orders and execution of the Orders can be performed via Order Book.

6.7 Orders Matching

Orders which are available to a Client for Matching are highlighted on the 42FS OTF Non-voice trading system.

Unless otherwise specified, Orders shown on the Order Book will be Matched using the following criteria in order of precedence:

Price; and

Time (based on the time the Order is shown on the Order Book).

All Orders which have not been Matched are cancelled at the end of each Trading Day.

6.8 Confirmations

42FS shall promptly, following execution of a Trade, provide each Client that is a counterparty to such Trade with a confirmation.

6.9 Prohibited Trading Practices

It shall be a violation of the Rules for a Client or any of its Registered Traders, to engage in any of the following activities, either directly, indirectly or through the use of an automated trading system:

Making any fraudulent or misleading communications in relation to one or more Eligible Instruments or otherwise engaging in any action that creates, or is likely to create, a misleading impression of one or more Eligible Instruments; or

Causing, or entering into, any artificial, fictitious or non-competitive Trade on the 42FS OTF (except as may be otherwise permitted by the Rules) or submitting an Order with fictitious economic terms into the 42FS OTF; or

Causing, or entering into, any Trade on the 42FS OTF for the purpose of avoiding taking a bona fide position exposed to market risk; or

Engaging in any action which is likely to upset the equilibrium of the market for an Eligible Instrument or creating conditions in which prices do not reflect fair market values; or

Engaging in any action which is likely to damage the fairness, stability or integrity of the 42FS OTF or to bring the 42FS OTF or 42FS into disrepute; or

Manipulating, or attempting to manipulate, the market for an Eligible Instrument or otherwise engaging in any action that appears to have the primary purpose of causing market confusion or frustrating the orderly operation of the 42FS OTF; or

Causing the 42FS OTF or 42FS to be in breach of Applicable Law(s).

No Client, or any of its Registered Traders shall make any knowing misstatement of material fact to 42FS or any person acting on behalf of 42FS.

6.10 Market Surveillance

42FS shall maintain arrangements to monitor compliance with the Rules and to identify disorderly trading conditions and any conduct that may be in violation of the Rules.

42FS will enforce compliance with the Rules and may take such actions as permitted by the Rules to facilitate fair and orderly trading on the 42FS OTF.

6.11 Suspension of Trading

42FS will monitor the operation of the 42FS OTF during the Trading Day. 42FS may in its absolute discretion at any time suspend, restrict, postpone or extend trading on the 42FS OTF as a whole, or in respect of one or more Eligible Instruments, where 42FS considers such action necessary to maintain the stability or integrity of the 42FS OTF, to ensure fair and orderly trading and system functionality, to avoid violation of Applicable Law, Erroneous Trades or breaches of the 42FS OTF's security as a result of technical problems and as otherwise required by Applicable Law or pursuant to an order of a competent regulatory authority or court of competent jurisdiction.

Whilst access to or trading on the 42FS OTF in an Eligible Instrument is suspended in whole or in part, no new Orders can be submitted into the 42FS OTF in respect of such Eligible Instrument for the duration of the suspension and all unfilled Orders in the Order Book at the time of suspension shall be cancelled. Trading shall recommence in accordance with the Rules, once 42FS determines that the suspension shall be lifted.

42FS will notify Clients upon any suspension, restriction, postponement or extension and, in respect of suspension of the 42FS OTF, will to the extent practicable and/or required by regulation, keep Clients informed regarding its availability.

6.12 Credit Setting and Restrictions

Each Client is solely responsible for:

Determining its credit settings and/or restrictions; and

Notifying 42FS of any applicable settings or restrictions, which take effect upon confirmation from the 42FS that they have been implemented.

With respect to each Eligible Instrument to be traded on the 42FS OTF, Client shall inform the 42FS of the following:

Whether they are able to trade Eligible Instruments bilaterally and, if so, the details of the counterparties with whom they are willing to trade; and

Whether they are able to trade Eligible Instruments that are nominated for clearing and, if so, the details of the Clearing Houses at which they may clear.

An Order will only be available to be Matched by counterparties which have credit, as indicated on the 42FS OTF. If a restriction is in place which prevents a Match, the Registered Trader will need to manually select the Order which is next in priority.

7 Regulatory Requirements

7.1 Contractual Position

Once Matched, the relevant Clients have entered into a valid, legal and binding Trade, governed by the terms of the Documentation in place between the Clients.

For the avoidance of doubt, to the extent any terms in respect of a Trade in any of the Eligible Instruments are not displayed on the 42FS OTF or otherwise set out in the Rulebook, such terms shall be agreed, and disputes determined, in accordance with the terms and conditions set out in the Documentation. If the Clients do not have Documentation in place, the Matched Trade shall nonetheless remain a valid, legal and binding contractual obligation and the Clients shall determine how to perform the obligations in respect of the Trade.

42FS Broker will, in good faith, if requested, seek to facilitate determination between the Clients and help the Clients to clarify the obligations owed.

7.2 Trade Cancellation

42FS may cancel Trade(s) in its absolute discretion, including without limitation where 42FS considers that the Trade(s) appears to be:

Contrary to Applicable Law and market conventions, or

Prejudicial to fair and orderly trading 42FS OTF, or

Prejudicial to Clients and causing disruption or distortion to the integrity of the 42FS OTF, or

Contrary to the Agreement, or

Indicative of market or system abuse or misuse, or

Create a conflict of interest between any parties, including 42FS, or

A transaction nominated for clearing where it is rejected by the relevant clearing house,

An Error Trade.

Each Error Trade shall be assessed by 42FS on its individual circumstances, taking into account all relevant market factors. 42FS shall have a unilateral right, but no obligation, to cancel Trade(s), whether it has received a notification from Client or not.

42FS must comply with legal and regulatory obligations to provide OTF system operating in a way that Error Trades are dealt with in a quick and efficient way for the Clients involved and any other parties affected by the Error Trade(s).

It is the responsibility of each Client to ensure that Orders submitted to the 42FS OTF are accurate. The responsibility of reporting a Trade(s) which a Client considers to be an Error Trade(s) rests solely with the Registered Traders of the 42FS OTF. Client(s) must notify 42FS of a potential Error Trade either directly or through the 42FS Broker who confirmed the Trade to the Client. Such notification shall be made as soon as practicable and, in any event, within 30 minutes from the execution of the Trade. Notifications shall be submitted to the relevant contact point depending on the desk: energy@42fs.com or idb@42fs.com

42FS may determine to review a Trade(s) based also on its own independent analysis of market. 42FS shall determine whether or not Trade(s) will be subject to review. In the absence of a timely request for review from Client(s), during volatile market conditions, upon the release of significant market news, or in any other circumstance in which 42FS deems it to be appropriate, 42FS may determine that a Trade(s) shall not be subject to review.

42FS shall notify the relevant Client(s) as soon as practicable that Trade(s) is under review. The relevant Client(s) shall provide any supporting information in such manner and within such time as 42FS may reasonably request to aid the resolution of the matter.

All notifications from Client(s) relating to Error Trade(s) must contain:

Client's primary contact details (name and direct line);

All specific details of the Trade(s);

Timestamps for each Trade; and

Client's reason for considering Trade(s) to be an Error Trade(s).

42FS will make the final decision, at its sole discretion, on whether Trade(s) is or is not an Error Trade(s).

Error Trade(s) will be cancelled by 42FS. However, 42FS is not under any obligation to cancel Trade(s) at the request of a Client, including where the Clients both agree to such cancellation.

42FS shall have no liability for losses resulting from the cancellation of Trade(s).

If 42FS deems it necessary, it may inform the relevant regulator(s) of any of its refusals or cancellations.

7.3 Trade Capture and Confirmation

Registered Traders are notified of any Orders Matched immediately via Electronic trading system.

Clients must notify 42FS immediately upon receipt if they are not in agreement with any Trade details.

7.4 Clearing and Settlement

Clients are responsible for the clearing (where relevant) and settlement of all Trades traded on the 42FS OTF. 42FS accepts no responsibility or liability for the clearing or settlement of any Trades executed on the 42FS OTF.

Clients must ensure they have the facility to clear (where relevant) and settle all Trades traded on the 42FS OTF in accordance with regulatory requirements.

Clearing and settlement requirements and arrangements vary according to the Eligible Instruments traded on the 42FS OTF.

Settlement of all Trades not eligible for clearing shall take place directly between the Clients involved in accordance with the terms of those contracts.

7.5 Trade Publication

42FS will, where required by Applicable Law, make public the price, volume and time of Trades on the 42FS OTF.

7.6 Transaction Reporting

42FS OTF will comply with its transaction reporting obligations under applicable laws and regulations in relation to transactions executed for Clients on 42FS OTF. To enable 42FS OTF to comply with its obligations under Applicable Law, Clients agree to promptly deliver to 42FS OTF data and other information that 42FS OTF may from time to time request to enable it to complete and submit transaction reports to Regulator and ESMA, which shall include a notification as to whether the Order is a hedging Order. Without such information in respect to commodity derivatives transactions, 42FS OTF shall assume that the relevant Order is a hedging Order for purpose of Article 57 of MIFID II.

7.7 Post-Trade Transparency

Where applicable and required by Applicable Law 42FS through market data providers publishes the Trades as close to real-time as technically possible, by stating the name of the Eligible Instruments listed for trading on the 42FS OTF together with the respective price, size and time of the Trade.

42FS may, in its absolute discretion, defer the publication of the price, volume and time of Transactions on a post-trade basis required under MIFIR. Where a deferral has been used, post-trade data will be made public by 42FS OTF on a deferred basis. Details of applicable deferrals are available on request.

7.8 Taxes and Fees

Clients are liable for the payment of any applicable taxes, fees, duties, or levies that arise in connection with the trading of Eligible Instruments on the 42FS OTF.

7.9 Commodity Derivatives Position Limits and Position Management Controls

Position limit may be set by the Relevant regulator for Eligible Instrument in case it is classified as a critical or significant commodity derivative in accordance with article 57 (1) of MiFID II. A list of the relevant Eligible Instruments and the relevant position limits will be maintained and published by 42FS OTF on the Website.

42FS OTF will monitor applicable position limits.

42FS OTF is required to apply position management controls to client trading in Eligible Instruments in accordance with Article 57(8) of MiFID II.

In connection with 42FS OTF's obligations to monitor position limits and apply position management controls on 42FS OTF, Clients agree that:

It is their responsibility to monitor and ensure their compliance with any applicable position limits in OTF Products and that placing an Order with 42FS OTF will not result in a breach of any applicable position limits;

They shall notify 42FS OTF if they have an exemption from the commodity position limit regime and provide a proof of such exemption having been approved by relevant regulator if relevant;

If they are a non-financial counterparty for the purposes of EMIR, Clients shall notify 42FS OTF whether or not such an Order is for the purposes of reducing the risk of their business in an objectively measurable way in accordance with article 57 MiFID II. Without such notification, 42FS OTF shall be entitled to assume that the relevant Order was placed for the purpose of reducing the Client's risk relating to their business in an objectively measurable way; Upon request Clients will promptly provide any information required by 42FS OTF relating to either:

the size and purpose of a position or exposure entered into by the client via its trading on 42FS OTF;

the beneficial or underlying owners of the position;

any concern arrangements;

any related assets or liabilities in the underlying market, including, where appropriate, positions held in derivatives of emission allowances or positions held in commodity derivatives that are based on the same underlying and that share the same characteristics on other trading venues and in economically equivalent OTC contracts.

42FS OTF reserves the right, in its absolute discretion, to reject all or part of any Order placed on 42FS OTF where such Order would result in the Client breaching any applicable position limit;

42FS OTF reserves the right, in its absolute discretion, to direct that only Orders reducing the size of a Client's open position in an OTF Product will be accepted by 42FS OTF in order to ensure an applicable position limit is not exceeded;

Client shall, upon direction from 42FS OTF, reduce or terminate their open position in any OTF Product by executing transactions on 42FS OTF to the extent necessary to ensure that any applicable position limit is not exceeded, within such time as 42FS OTF may prescribe;

Client shall, upon direction from 42FS OTF, provide liquidity back into the market by placing sell orders at an agreed price and volume, for a period of time and to the extent necessary to ensure mitigation of the effects of a large or dominant position of the client.

Client shall report at least once a day to 42FS detailed information about Clients' positions held in Eligible Instruments as well as the positions of their clients down to the last client, in accordance with the principles described in rule 7.10 below.

7.10 Commodity Positions Reporting

42FS OTF is required to report certain information relating to Clients' positions to the Regulator and ESMA in accordance with the requirements of Article 58 of MiFID II.

42FS OTF will send or make available to Clients a position report detailing the positions in OTF Products held by such Client in accordance with Article 58 of MiFID II. It is Client's responsibility to immediately inform 42FS OTF of any discrepancies between the Client's records of open positions traded on 42FS OTF and the position report sent by 42FS OTF. The position report sent or made available by 42FS OTF shall be deemed to be correct and agreed by the Client unless objections or discrepancies are notified to 42FS OTF by 2 p.m. on the Business Day following receipt of the report by the Client.

7.10.3 In the event of discrepancy between a position report sent to 42FS OTF by a Client and a position report generated by 42FS OTF and sent or made available to such Client, 42FS OTF shall in its absolute discretion be entitled to rely on the position report generated by 42FS OTF to meet its obligations to submit position reports to the Regulator under Article 58 of MiFID II, unless the Client objects to such position report in accordance with rule 7.10.2 above.

7.11 Information and Data

42FS may offer access to data feeds and/or other market information as part of its services. A separate charge or charges may be levied for such services offered by 42FS.

8 Miscellaneous

8.1 Cooperation with regulators

42FS will report any significant breaches of the Rules, disorderly trading conditions or conduct which gives rise to a suspicion of market abuse to the Regulator.

42FS will provide full assistance to and may also supply any relevant information without delay to the Regulator.

42FS will comply with all relevant laws and regulations, and any request of the relevant Regulator.

Each Client shall provide all reasonable assistance to the Regulator or other regulatory authority in connection with any investigation of alleged market abuse or breach of Applicable Law.

8.2 Extension or Waiver of Rules

42FS may, in its sole discretion, waive, or extend the time period for performing, any act or acts designated by the Rules, but only to the extent such waiver or extension is not inconsistent with Applicable Law.

8.3 Complaints

In the event that a Client or Registered Trader is unsatisfied by the service provided by 42FS, it may inform 42FS's compliance department, which will assess whether the complaint has merit and escalate the matter within 42FS as appropriate.

Contact details for making a complaint are as follows:

(a) By post:

42 Financial Services a.s.
Compliance Department
Klimentská 46
110 02 Praha 1
Czech Republic
(b) By email:
compliance@42fs.com

8.4 Amendments to the Rules and Notices

42FS may amend or repeal any Section of the Rules and/or adopt new sections of the Rules. Any such amendment or repeal of section or adoption of a new section of the Rules, shall, upon the effective date of such amendment, repeal or adoption, as applicable, be binding on all Clients and Registered Traders. Each Client must provide 42FS with its current electronic mail address and telephone number and the electronic mail address and telephone number of any Registered Trader or Responsible Person. Each Client must immediately (and in any event within 24 hours) update the contact information described in this paragraph (a) whenever it changes.

Communications from 42FS to Clients may be transmitted by electronic mail or posted on Website. Communications made to a Client shall also be deemed to have been made to each of its Registered Traders, Responsible Persons and other employees and agents, and each Client, Registered Trader and Responsible Person shall be responsible for conveying such communications to such Persons as appropriate.

8.5 Additional Documentation

Additional information is provided separately and can be accessed at Website. These additional documents are mainly:

42FS Order Execution Policy

42FS Product schedule

42FS User guide

42FS Conflict of Interest Policy

42FS Information on the deferred publication of trade details