

July 26, 2018

Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, ON M5H 3S8
Attn: Secretary

Dear Sirs and Mesdames:

360 Treasury Systems AG – Application

360 Treasury Systems AG (“**360T**” or the “**Company**”) hereby applies to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to Section 147 of the Securities Act (Ontario) (the “**Act**”) exempting 360T from the requirement to be recognized as an exchange under Section 21 of the Act.

Exemption Criteria

Commission Staff has prescribed criteria that it will apply when considering applications for exemption of a foreign platform that facilitates the trading of OTC derivatives from recognition as an exchange. These criteria are similar to those prescribed in OSC Staff Notice 21-702 Regulatory Approach for Foreign Based Stock Exchanges in relation to applications for recognition (or exemption from recognition) by foreign stock exchanges.

For convenience, this Application is divided into the following Parts:

Part I Application for Exemption from Recognition as an Exchange

1. Regulation of the Exchange
2. Governance
3. Regulation of Products
4. Access
5. Regulation of Participants on the Exchange
6. Rulemaking
7. Due Process
8. Clearing and Settlement
9. Systems and Technology
10. Financial Viability
11. Trading Practices
12. Compliance, Surveillance and Enforcement

13. Record Keeping
14. Outsourcing
15. Fees
16. Information Sharing and Oversight Arrangements
17. IOSCO Principles

Part II Submission by 360T

Part III Verification Certificate

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

1. REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (Foreign Regulator).

360 Treasury Systems AG (“**360T**”) was established in 2000, and is incorporated and headquartered in Germany. 360T maintains subsidiaries in New York (360 Trading Networks Inc. and 360TGTX Inc.), Singapore (360T Asia Pacific Pte. Ltd.), India (ThirtySixty Trading Networks (India) Pvt Ltd), Malaysia (360 Trading Networks Sdh. Bhd.), Finbird Limited (Israel) and Dubai (360 Trading Networks LLC). 360T is owned by Deutsche Boerse AG.

360T operates a multilateral trading facility (“**MTF**”) that lists the following foreign exchange (“**FX**”) products: forwards, multiple forwards, swaps, options and NDFs. Over 5,000 market participants utilize the MTF, including more than 2,100 buy-side clients and over 200 liquidity providers. The 360T MTF operates a ‘Request for Quote’ trading model (“**RfQ**”), where 360T facilitates transactions between members who have a pre-existing underlying trading relationship for the purpose of executing transactions with one another.

The 360T MTF is subject to the oversight of the German Federal Financial Services Authority (“**BaFin**”) and the German Central Bank in accordance with the German Securities Trading Act (“**WpHG**”)¹ and the German Banking Act (Kreditwesengesetz) (the “**KWG**”),² each of which was amended in 2017 to transpose the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council (“**MiFID II**”) into national law.

The WpHG sets forth various requirements for the operation of 360T’s MTF. As described in greater detail below, 360T must implement and maintain (i) rules governing access by trading members at least as stringent as those required for exchanges under the Federal Exchange Act (Börsengesetz), (ii) rules governing admission to trading and the fair and orderly trading of financial instruments, (iii) control mechanisms for monitoring and recording all trade activity, and (iv) published, transparent and non-discriminatory rules governing the operation of the MTF.

¹ The WpHG is accessible at <https://www.gesetze-im-internet.de/wphg/>. (The current version is only available in German.)

² The KWG is accessible at <https://www.gesetze-im-internet.de/kredwlg/>. (The current version is only available in German.)

In addition, 360T is subject to the trade transparency and reporting requirements set forth in the Markets in Financial Instruments Regulation (EU) No 600/2014 of the European Parliament and of the Council (“**MiFIR**”).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

General Overview

Section 32(1) of the KWG generally requires any person providing financial services on a commercial basis to obtain a license from BaFin. (As explained in Section 1 of the KWG, financial services include, among other things, operation of an MTF.) Section 32 requires an applicant to demonstrate that it has sufficient financial resources required for carrying out its intended business. An operator of an MTF that is not authorized to own or possess funds or securities of customers and which does not trade in financial instruments for its own account must have a minimum capital of EUR 50,000.

Sections 32 and 33 of the KWG require an applicant to demonstrate that its owners, managers and directors meet specified criteria and are eligible to run the business. Before approving the license, BaFin will review the firm’s proposed business plan, organizational structure and control system to verify the firm is capable of conducting its business in a proper manner. Once licensed, an operator of an MTF has an ongoing obligation to comply with the Money Laundering Act (GWG), the WpHG and certain EU regulations. Failure to comply with such restrictions could result in a suspension or revocation of the firm’s license.

BaFin is responsible for monitoring an MTF operator’s compliance with its obligations under the WpHG. Sections 72 and 74 of the WpHG require an operator of an MTF to adopt rules governing access, trading and pricing.

Access

As described in greater detail in Section 4.1 below, the WpHG requires an operator of an MTF to establish non-discriminatory arrangements for access to the MTF. In addition, the operator must establish appropriate risk controls and thresholds for trading conducted through direct electronic access. An operator must establish rules addressing the marking of orders placed via direct electronic access and addressing the possibility of blocking or terminating direct electronic access if a member violates applicable regulations.

See Section 4.1 below for a description of 360T’s rules pertaining to access.

Trading Rules

Under Section 72 of the WpHG, an operator must establish rules that clarify which financial instruments may be traded, proper conduct for trading, and requirements for

algorithmic trading. The operator is obligated to publish any information necessary and appropriate to permit members to use the MTF system. Additionally, Section 74 forbids an operator of an MTF from using its own capital to execute client orders.

See Sections 3 and 5 below for a description of 360T's trading rules.

Pricing and Fees

Section 72 of the WpHG requires that the operator of the MTF establish measures to ensure proper pricing, such as systems that address short-term changes to the market model and short-term volatility interruptions. The MTF also must permit each participant the ability to request pricing from at least three other participants to ensure appropriate pricing. In exceptional circumstances, the operator may cancel, amend or correct any transaction taking into account the characteristics of the financial instrument concerned to avoid significant disruption to the market.

The MTF's fee structuring, including execution fees, ancillary fees and any rebates, must be transparent and non-discriminatory. Fees cannot create any incentives to place, charge or cancel orders or conduct business in a manner that contributes to market disruption or market abuse. Discounted fees are only permissible in limited circumstances.

Additionally, the operator of an MTF is obliged to demand separate charges for excessive use of the trading system. Excessive use charges must be proportionate to address overuse and the associated negative impact on system stability or market integrity. However, as a practical matter, due to the nature of 360T's RFQ system, it would not be possible for any market participant to overuse the system to the point of causing system issues. Therefore, 360T does not anticipate that it will ever fine a market participant for overusing the system. However, any disorderly trading conditions would be addressed under Section 10 of the Rules, pursuant to which 360T could suspend or terminate a market participant's MTF access.

Risk Controls

Section 72 of the WpHG requires an operator to have a plan to activate emergency responses in the event of a system failure or disruption to its trading system; to ensure the system has sufficient capacity during peak order and communication volumes; and to verify proper trading will continue during extreme stress conditions. The operator of the MTF should audit its system to confirm it is capable of functioning properly in the event of extreme conditions. Similarly, Section 74 requires an operator to take precautions to manage the risks associated with operation of the MTF.

Regulatory Reporting Obligations

The WpHG also creates reporting obligations for the operators of MTFs. Section 72 requires an operator of an MTF to provide to BaFin a comprehensive description of the trading system's functionality, links to other exchanges, and the members of the MTF.

Certain events may also trigger reporting obligations. The operator must immediately notify BaFin of any serious breaches of trading rules, market integrity issues, and system disruptions in relation to a financial instrument. If required, BaFin may submit such information to the European Securities and Markets Authority.

Transparency Obligations

MiFIR establishes uniform requirements in relation to disclosure of trade data, transaction reporting to the relevant competent authority, and non-discriminatory access, among other things. These MiFIR requirements were designed in part to allow competent authorities to confirm that investment firms act honestly, fairly and professionally to promote the integrity of the market.

Article 8 of MiFIR requires trading venues to make available bid and offer prices and market depth information on a pre-trade basis. However, competent authorities may grant a waiver to trading venues in accordance with Article 9 of MiFIR with respect to the foregoing pre-trade transparency obligations.

Article 10 of MiFIR requires trading venues to make available transaction data on a post-trade basis as close to real-time as possible. However, Article 11 of MiFIR permits delayed publication under certain circumstances, including (among other things) trade data relating to trades in illiquid markets or trades that are relatively large in scale.

Oversight and Review

As a regulated institution, 360T is subject to BaFin's and German Central Bank's supervision which is based on a risk-oriented approach. In this regard, 360T is obliged to submit relevant notifications to these institutions pursuant to KWG.

In addition, in the context of the annual financial audits, 360T is subject to a detailed review by external auditors in which mandatory notifications, regulatory, compliance and money laundering obligations are examined. Furthermore, a regular WpHG audit is conducted by external auditors to assess compliance with the WpHG. This is conducted every four years. The report is afterwards sent to BaFin for review who may impose requirements or recommendations for 360T.

A meeting with BaFin may also be scheduled once yearly to present a current picture of the business model and address any questions from the regulator or from 360T.

2. GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,**

By way of background, 360T was established as a stock corporation in July 2000 under the laws of the Federal Republic of Germany and has its principal office in Frankfurt am Main, Germany. 360T is wholly owned by Deutsche Börse AG.

360T has established an organizational and governance structure that provides for effective and efficient oversight of 360T. 360T's corporate governance arrangements are set forth in 360T's charter and other governing documents (together, the "**Governing Documents**").

As explained in the Compliance handbook, a dual board system is prescribed by law for German stock corporations and as such 360T has both an Executive Management Board (hereinafter the "**Board**") and a Supervisory Board. The Board is responsible for the day-to-day management the Company and for setting strategic direction. Its members are jointly accountable for the management of the Company. The Chairman of the Board coordinates the work of the Board. The Supervisory Board appoints, supervises and advises the members of the Board and may be directly involved in decisions of fundamental importance to the enterprise.

The Chairman of the Supervisory Board coordinates the work of the Supervisory Board. The members of the Supervisory Board, of which there are currently three, are elected by the shareholders at the Annual General Meeting. As the Company has less than the required number of staff, it is not required to have employee representatives appointed to the Supervisory Board.

The 360T Board is supported by an Executive Team. The Executive Team, sometimes referred to as the Group Executive Board, consists of seven members. Each member of the Executive Team has significant relevant industry experience.

360T has appointed individuals to serve as the Chief Executive Officer, Global Head of Sales, Group Chief Financial Officer/Chief Operating Officer, Chief Growth Officer, Managing Director (360T Asia Pacific), CEO (Americas) and a Head of Technology.

In addition, and subject to the oversight of the Board, 360T may appoint such other officers as deemed necessary or appropriate with such titles, duties, and authority as 360T will approve to carry out its business. The acts of the officers will bind 360T when such officers are acting within the scope of their authority. The officers are obliged to keep the Board informed as to all matters of concern to 360T. Please see Section 2.1(c) below for further details on the composition of the Board.

Executive Support to the Boards is provided by the Global Head of Regulatory Affairs & Group Chief Compliance Officer (CCO), and by the General Counsel.

Finally, note that the responsibility for putting together 360T's annual financial statements resides with the Executive Team. The corresponding annual audit report of the financials is facilitated by an independent auditor appointed by the Supervisory Board. Final financial statements are adopted by the Supervisory Board. Ultimately responsibility for 360T's financial reporting resides with the Supervisory Board.

(b) that business and regulatory decisions are in keeping with its public interest mandate,

360T is committed to operating an MTF in accordance with industry best practices and in accordance with public interest. 360T's Rulebook,³ policies, procedures and activities are designed to fulfill its public interest mandate and provide a reliable trade execution platform for market participants.

360T's public interest mandate is derived from the laws and regulations to which it is subject, including the WpHG and MiFIR (and indirectly, MiFID II). Any business or regulatory actions that 360T takes must conform to such laws and regulations.

(c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

(i) appropriate representation of independent directors, and

(ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

Supervisory Board and Independent Directors

The Supervisory Board contains three directors, all of whom qualify as independent directors. To qualify as an independent director, the person must qualify as being a "fit and proper person." Being a "fit and proper" person means that the person has acquired during his or her professional career sufficient theoretical knowledge and practical experience to carry out his or her allocated functions properly. The fitness of members of the management body is assessed against five criteria: (i) experience; (ii) reliability; (iii) conflicts of interest; (iv) time commitment; and (v) corporate governance. After the appointment of a Supervisory Board member, a set of documentation is provided to BaFin (detailed CV, reliability statement, police certificate, excerpt of the commercial central register (for German citizens)). In addition, BaFin will consult with the Federal Central Register (Bundeszentralregister) for criminal offences and the Central Commercial Register (Gewerbezentralregister) for business offences in order to verify whether such persons are "proper" (i.e. reliable) persons.

A proper balance among the interests of the difference market participants using the MTF are represented through the diversity of regions and functional work areas on 360T's Supervisory Board and Executive Management Board and the background experience (including but not limited to prior work experience) of the individuals serving on such Boards. For more information please see the management page on 360T's website: <https://www.360t.com/about-us/management/>.

³ Any capitalized term not defined herein shall have the meaning set forth for such term in the 360T Rulebook, or the "Rules." The 360T MTF Rulebook can be found on the 360T website: <https://www.360t.com/regulatory-affairs/multi-lateral-trading-facility-mtf/>

The Supervisory Board Meeting is held quarterly and is used to keep the governing body of the Company fully informed of business matters. The Supervisory Board appoints, supervises and advises the members of the Board and may be directly involved in decisions of fundamental importance to the enterprise.

The Chairman presides over meetings of the Supervisory Board and the general meetings of the Company and oversees jointly with his elected Board members the activities of the Company from a supervisory perspective. The members of the Supervisory Board are elected by the shareholders at the Annual General Meeting. As 360T's parent company, Deutsche Börse AG imposes its own unique professional background which is an integral component of 360T management. The Deutsche Börse Group Code of Conduct details the Principle of Conduct that applies to all employees, including the Board and Committees of the Board. Principle 8 highlights Equal Opportunity in employment, development and advancement at Deutsche Börse. Additionally, Deutsche Börse Group is a signatory to the "Charter of Diversity" and promotes a code of ethics that commits to Group-wide social responsibility.

Executive Management Board

The Executive Management Board, or Board, is responsible for the day-to-day management of the Company and for setting strategic direction. It is comprised of the CEO and the Global Head of Sales who are jointly accountable for the management of the Company.

360T does not have a dedicated Regulatory Oversight Committee, Participant Committee or other standing committee. Rather, the Executive Board and Supervisory Board regularly address matters relating to compliance, regulatory affairs, finance, etc.

(d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and

Section 72 of WpHG imposes conflict requirements on 360T. As between the interests of 360T (including the MTF and its owners) and the interests of its trading participants, 360T must have arrangements to identify clearly and to manage any conflict with adverse consequences for:

- (a) the operation of the MTF; or
- (b) its trading participants.

360T has effective mechanisms in place to manage any conflicts of interest that may arise. More specifically, 360T has adopted the Deutsche Börse Code of Business Conduct that applies to all employees, including the executive officers. The provisions of the Business Code of Conduct address potential and actual conflicts of interest, and all employees are instructed to comply with this Business Code of Conduct at all times. In case of a suspicion of a conflict of interest, employees are required to escalate these to Compliance to record, manage and potentially escalate. In addition, a market abuse policy and gifts and entertainment policies are in place.

Additionally, 360T has established a robust set of safeguards designed to ensure that it operates free from conflicts of interest or inappropriate influence. In accordance with Section 74 of WpHG, 360T does not execute orders on its MTF using its own capital or act as a broker in matching customer orders on its MTF.

- (e) **there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.**

Qualifications

Directors, officers and other 360T employees are recruited for their particular positions based upon their skills and expertise. Each director must complete a director questionnaire, and the integrity of each candidate for director is determined primarily through an analysis of the responses received from such candidate. There is no standardized metric for determining the competence of a director. 360T chooses directors that are sophisticated and experienced in business and legal matters. Directors, officers and employees are competitively remunerated based on industry standards and as appropriate for successful retention.

All members of the Board and the Supervisory Board and the 360T officers and employees are over the age of majority and are of sound mind. All of the members of the Board and the Supervisory Board are regarded in the market as being persons with integrity and competence.

Limitation of Liability and Indemnification

As provided in the Governing Documents, no director will be personally liable to 360T or its stockholders for monetary damages for breach of fiduciary duty as a director. This provision, however, does not eliminate or limit the liability of a director from (i) any breach of the director's duty of loyalty to 360T or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any transaction from which the director derived an improper personal benefit.

As provided in the Governing Documents, each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of 360T or is or was serving at the request of the corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as such a director or officer will be indemnified and held harmless by 360T to the full extent authorized by applicable law as then in effect, against all expense, liability and loss actually and reasonably incurred or suffered by such indemnity in connection therewith.

In accordance with these provisions, 360T purchases and maintains insurance, in amounts and with coverage at least equal to those typically maintained by similarly situated companies, on behalf of directors and officers.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

In regards to operating an MTF, as stated above, being a “fit” person means that the person concerned must have acquired during his or her professional career sufficient theoretical knowledge and practical experience to carry out his or her allocated functions properly. When determining whether someone is fit and proper, BaFin will consult with the Federal Central Register (Bundeszentralregister) for criminal offences and the Central Commercial Register (Gewerbezentralregister) for business offences in order to verify whether such persons should be deemed “fit and proper.” As a matter of internal policy, 360T is committed to ensuring that all persons holding senior positions, including directors and officers, would qualify as being fit and proper.

3. REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

Section 72 of WpHG requires an operator of an MTF to adopt transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems. An operator of an MTF is required to provide BaFin with a detailed description of the functionality of its trading system.

Likewise, as provided in Article 4 of the Market Abuse Regulation (EU) No 596/2014 of the European Parliament and of the Council (“**MAR**”), an operator of an MTF must notify its competent authority of any financial instrument for which a request for admission to trading on their trading venue is made, which is admitted to trading, or which is traded for the first time. Pursuant to Article 4, the European Securities and Markets Authority has published technical standards to assist in the standardized reporting of transactions of financial instruments. In addition, Article 16 requires an operator of an MTF to establish and maintain effective arrangements, systems and procedures aimed at preventing and detecting market manipulation and attempted market manipulation.

360T may, in its sole discretion, add or delete Instruments that are permitted to trade on the MTF following consultation with, and subject to requirements established by, BaFin.

360T is currently permitted to list FX instruments on its MTF. To the extent 360T lists additional FX instruments in the future, these products will be carefully reviewed by BaFin during BaFin's periodic reviews of the MTF.

In evaluating whether to list a new Instrument for trading, 360T takes into consideration the following factors: business development; regulatory/legal requirements; and costs associated with system development and ongoing business support. In accordance with MAR, 360T does not permit derivative instruments on its MTF to be structured in a manner that is inherently manipulative. In addition, similar to other MTFs listing equity, debt and other derivative instruments, 360T generally relies on other regulators to monitor for manipulation in the underlying foreign currency market.

Pursuant to Rule 20, Members will be notified of any amendment to the Rulebook by 360T via email and by publication of the amended Rulebook on 360T's website (<http://www.360t.com>). Each such amendment will be deemed to have been approved unless the respective Member objects thereto in writing. Together with the notification of an amendment, 360T will expressly draw the Members' attention to such change. A Member must notify 360T of any such objection within six weeks following the relevant notification of an amendment. As a practical matter, 360T seeks to accommodate Member objections unless such an accommodation would be inconsistent with applicable laws.

Section 74 of WpHG addresses the suspension and removal of financial instruments. 360T will suspend or remove from trading a financial instrument only if it does not cause significant damage to the interest of investors or the orderly functioning of the MTF. 360T will notify the public and BaFin of any such suspensions or removals.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

Products Listed on 360T

As set forth in Rule 9.2, 360T will offer trading in FX forwards, FX swaps, FX options, FX non-deliverable forwards and non-deliverable swaps.

360T acts in compliance with the FX Global Code (the "**Code**") as a market participant as defined by the Code, and is committed to conducting its FX market activities in a manner consistent with the principles of the Code.⁴ Among other things, the Code provides that operators of FX e-trading platforms should (i) have rules that are transparent to users; (ii) make clear any restrictions or other requirements that may apply to the use of the electronic quotations; (iii) establish clarity regarding the point at which market risk may transfer; and (iv) have appropriate disclosure about subscription services being offered and any associated benefits, including market data. In addition, the Code

⁴ The Code is accessible at https://www.globalfx.org/fx_global_code.htm.

provides that market participants should use standard terms and conditions, where appropriate.

To this end 360T has taken appropriate steps, based on the size and complexity of its FX market activities, and the nature of its engagement in the FX market, to align its activities with the principles of the Code.

Review Process Prior to Listing New Products

As provided in Rule 9.2 of the Rulebook, 360T may, at any time and in its sole discretion, add or delete Instruments that are permitted to trade on the MTF. 360T will only add or delete Instruments in accordance with applicable rules and requirements. As noted in Section 3.1 above, in evaluating whether to list a new Instrument for trading, 360T takes into consideration the following factors: business development; regulatory/legal requirements; and costs associated with system development and ongoing business support.

360T may list new Instruments by amending its Rulebook. Any amendments to the Rulebook will be notified to the Members by 360T via email and by publication of the amended Rulebook on the 360T's website (<http://www.360t.com>). Each such amendment shall be deemed to have been approved unless the respective Member objects thereto in writing. Together with the notification of an amendment, 360T shall expressly draw the Members' attention to this consequence. A Member must notify any such objection to 360T within six weeks following the relevant notification of an amendment.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

Section 72 of WpHG requires an MTF to establish appropriate risk controls and thresholds for trading via direct electronic access, including (i) labeling orders placed via direct electronic access, and (ii) blocking or terminating direct electronic access at any time in the event of a breach by the holder of direct access. As a mitigation to risks associated with direct electronic access, 360T does not permit its Members to provide direct electronic access to any person. Specifically, Rule 5.1(e) prohibits Members from providing arrangements or in any way enabling any person to utilize 360T MTF by way of "direct electronic access" (as defined in Article 4(1)(41) of MiFID II), whether such access be by way of "direct market access" or "sponsored access" (each as defined in Article 4(1)(41) of MiFID II) or by any other method whatsoever.

In addition, Section 72 of WpHG requires an MTF to adopt rules governing orders generated by algorithmic trading. Consistent with this requirement, 360T imposes restrictions on algorithmic trading in Chapter 8 of the Rules. Rule 8.1 requires a Member who engages in algorithmic trading on the 360T MTF to comply with the organizational requirements for trading systems and trading algorithms as set out under MiFID II, including an established policy governing the use of the kill functionality. Rule 8.2

requires members engaging in algorithmic trading to engage in conformance testing to examine order entry and connectivity. 360T will assess whether each Member engaged in algorithmic trading is in compliance with the Rules on an annual basis or more frequently, as necessary.

More broadly, as provided in Rule 10.1, 360T has arrangements in place to prevent disorderly trading and breaches of capacity limits. 360T may cancel or revoke orders or executed transactions in case of malfunction of the 360T's trading systems, or to take any other course of action, where 360T believes it necessary in order to preserve market orderliness.

With respect to trading thresholds, 360T surveils for incoming quote prices from liquidity providers that exceed pre-determined thresholds configurable on an instrument basis. In case a quote price exceeds the threshold, it is considered erroneous by 360T and therefore withdrawn.

As described in Section 9.3 below, 360T also has risk management measures in place that are designed to address market disruptions, errors and disorderly trading. 360T also monitors for market abuse and allows Members to set up their own alerts in regards to risk limits, including daily trading limits, price limits and position limits. However, 360T does not track Members' limits as Members may transact the same FX products on multiple venues and/or over-the-counter.

In addition, 360T has an obligation to monitor for potential violations of the market abuse regulation. Likewise, as appropriate, BaFin may issue a communication concerning suspension or exclusion from trading of a particular member or financial instrument.

4. ACCESS

4.1 Fair Access

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure**
 - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,**
 - (ii) the competence, integrity and authority of systems users, and**
 - (iii) systems users are adequately supervised.**
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.**
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.**
- (d) The exchange does not**

- (i) **permit unreasonable discrimination among participants, or**
 - (ii) **impose any burden on competition that is not reasonably necessary and appropriate.**
- (e) **The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.**

Access Requirements

Section 72 of the WpHG requires an operator of an MTF to establish non-discriminatory arrangements for access to the MTF that do not provide for discretion of the operator. As explained in MiFIR, “[o]ne of the important requirements concerns the obligations that the interests be brought together in the system by means of non-discretionary rules set by the system operator.” Non-discretionary rules mean that execution takes place simply under a trading system’s rules or by means of protocol or internal operating procedures.

In addition, Section 74 of the WpHG requires that an operator’s rules for accessing the MTF satisfy the requirements of Section 19(2) and (4), sentences 1 and 2 of the Börsengesetz, which sets forth the requirements for participants to access stock exchanges.

In keeping with WpHG, 360T has transparent and non-discriminatory rules based on objective criteria governing eligibility for membership, which are available to the public on 360T’s website. Chapter 4 of the Rules sets out the admission and eligibility standards for all Members, which are designed to permit fair and open access while protecting 360T and its market participants.

Each Member must qualify as an Eligible Counterparty or Professional Client under MiFID II. As set forth in Rule 4.2, to be eligible for admission as a Member, an applicant must:

- a. satisfy capital adequacy and financial resources requirements. The levels of financial resources required by any or all Members may vary for each Member;
- b. employ staff with adequate qualifications in key positions;
- c. be fit and proper to become a Member;
- d. have financial, business or personal standing suitable to enter into relevant Transactions;
- e. have sufficient level of trading ability and competence;
- f. be able to satisfy the general organizational requirements for participation in the 360T MTF;
- g. have adequate organizational and technical requirements;

- h. have adequate pre-trade controls on price, volume and value of orders and usage of the system and post-trade controls; and
- i. have adequate execution, order management and settlement systems in place.

All applicants prior to onboarding must go through a review process in which participants must fulfill the requirements as Professional Client or Eligible Counterparty. Retail clients are not allowed to access 360T. Participant classification is determined primarily by reviewing applicant's financials and their regulatory status.

360T may deny an application for admission as a Member (i) if the applicant is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to become or remain a Member, or (ii) if the applicant is unable to satisfactorily demonstrate its capacity to adhere to the Rules and Applicable Laws. If a prospective Member satisfies all eligibility criteria, 360T and the Member will execute an Access Agreement, pursuant to which the Member is admitted to the online trading system and agrees to be bound by the MTF's rules.

Equal Access

As noted above, Section 72 of WpHG requires an operator of an MTF to establish non-discriminatory arrangements for access to the MTF which do not provide for discretion of the operator.

360T will not restrict access or impose burdens on access to the MTF's trading system in a discriminatory manner, within each category or class of market participants or between similarly situated categories or classes of market participants. As provided on its website at <http://www.360t.com>, 360T charges comparable fees to all Members that receive comparable access to MTF's trading system. 360T does not restrict access or impose burdens on access in a discriminatory manner within each category or class of Members or between similarly situated categories or classes of Members.

Ontario Users

360T will not provide direct access to a participant in Ontario ("**Ontario User**") unless the Ontario User is appropriately registered as applicable under Ontario securities laws or exempt from or not subject to those requirements, and qualifies an "Eligible Counterparty" or "Professional Client" under MiFID II and MiFIR.

For each Ontario User provided access to its MTF, 360T will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

Supervision

Rule 7.1 requires Members to confirm that each Representative it authorizes to use and access the MTF's trading system and enter transactions on behalf of the Member has

sufficient training, is properly supervised, and has adequate experience, knowledge and competence to access and use the trading system. Pursuant to Rule 7.2, Members are responsible for confirming that each of its Representatives accesses and uses the trading system only to carry out the Member's business.

Recordkeeping

As provided in Rule 9.3, 360T will maintain all information on Member's trading activities and records that are in its possession for a period of five years.

5. REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

Rules Governing Conduct

Chapter 5 of the Rules sets forth the obligations of Members. Under Rule 5.1, a Member must comply with all Rules and refrain from engaging in market abuse or activities that may damage the fairness, integrity or proper functioning or orderliness of 360T. In addition, Rule 5.3(a) requires each Member to inform 360T of any enforcement action or investigation against it in connection with trading activities on the 360T MTF or any other FX trading venue by any Governmental Authority. Under Rule 5.3(b), Members must respond promptly to all of 360T's inquiries and requests for information in connection with its membership to the 360 MTF, its use of the Services, and Orders and Transactions within such reasonable time and in such manner as 360T may require.

In addition, 360T has adopted a Code of Conduct for its Members in Chapter 6 of the Rules. Under Rule 6.1, a Member must not:

- (a) engage in any conduct which gives or is likely to give a false or misleading impression as to the market in, or the price of, any product or which secures the price of one or several products at an abnormal or artificial level;
- (b) submit trade requests or orders on the 360T MTF which are fictitious, or constitute any other form of deception or contrivance;
- (c) submit trade requests or orders on the 360T MTF without a genuine intention to trade;
- (d) submit trade requests or orders on the 360T MTF for small quantities, intended to determine the state of the market;

- (e) collude with other Members to effect pre-agreed transactions with a view to manipulate the marketplace;
- (f) breach or attempt to breach an obligation under the Rules or cause or contribute to a breach of obligations under the Rules by another Member; or
- (g) engage in any other act or course of action constituting market abuse, or which is likely to harm the integrity, fairness, orderliness or reputation of the 360T MTF.

If a Member breaches any Rule or exhibits disruptive behavior, then 360T may initiate disciplinary procedures, as described in more detail below.

Monitoring Conduct, Conducting Investigations and Cooperation with Regulators

An operator of an MTF is required to have effective arrangements and procedures for the regular monitoring of members' compliance with MTF rules. Additionally, Section 72 of WpHG requires the operator to monitor for and identify abusive behavior prohibited by MAR.

Chapter 14 of the Rules contains descriptions of the monitoring and reporting activities that 360T carries out. Specifically, 360T will monitor the trading activity conducted under the Rules with a view to identifying breaches of the Rules, disorderly trading and conduct that may amount to market abuse.

360T may initiate and carry out an investigation into any matter that may constitute a breach of these Rules. As required under Rule 14.3, any Member affected by such investigation must co-operate fully and in a timely manner with 360T in such investigation. On completing an investigation, 360T take one or more of the following measures:

- (a) issue a formal written notification of contravention of the Rulebook;
- (b) restrict the Member from entering specific order types;
- (c) impose systematic enforcements, such as throttling of Orders;
- (d) suspend the Member from trading specific Instruments;
- (e) suspend the Member from accessing the MTF; and/or
- (f) terminate the membership.

Rule 14.2 permits 360T to report to any Governmental Authority any material breaches of the Rules, disorderly trading conditions, and conduct that may involve market abuse. 360T may assist any Governmental Authority in any investigation of disorderly trading conditions and conduct that may involve market abuse.

Disciplinary Actions

As described above, 360T may take various actions as a consequence of disruptive behavior and rule violations, including the issuance of a formal written notice, restriction of specific order types, systematic enforcements (e.g., order throttling), suspension from trading specific Instruments, suspension from accessing the MTF and/or termination of the membership.

In addition, Chapter 15 of the Rules permits 360T to suspend or terminate a Member under certain criteria set out in Rule 15.2. A Member may be suspended or terminated if any of the following events occur:

- (a) an insolvency or an insolvency event in accordance with Section 17-19 of the German Insolvency Code, or any similar event in another jurisdiction, has occurred in relation to a Member;
- (b) a Member fails to satisfy the Membership Criteria;
- (c) 360T reasonably believes that a Member has breached Rule 5 (Obligations of Members), Rule 6 (Code of Conduct), and/or Rule 7 (Access); or
- (d) 360T believes it is in the best interests of the proper functioning of the MTF to suspend or terminate membership.

Before a suspension or termination takes effect, 360T will notify a Member of a suspension or termination and the grounds for such decision, unless it is impracticable or illegal to do so. Under Rule 15.5, a suspended or terminated Member remains subject to the Rules, obligated to pay all fees pursuant to the Rules, liable for all obligations arising pursuant to Transaction to which it is a party, and responsible and liable for acts and omissions during membership.

6. RULEMAKING

6.1 Purpose of Rules

- (a) **The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.**

Section 72 of WpHG requires an operator of an MTF to establish non-discretionary arrangements for access to the MTF. An operator also is required to establish rules governing trading on the MTF.

360T maintains a set of written rules and procedures which is publicly available on 360T's website. The Rules appropriately govern the operations and activities of market participants in the following chapters: Chapter 4 (Membership); Chapter 5 (Obligations

of Members); Chapter 6 (Code of Conduct); Chapter 7 (Access); Chapter 8 (Requirements for Algorithmic Trading and High-Frequency Trading); Chapter 9 (Trading Rules); Chapter 11 (Orders); and Chapter 13 (Transaction Cancellations and Price Adjustments). 360T believes that the Rules are consistent with applicable Ontario law.

As described in Chapter 20 of the Rules, 360T may from time to time amend the Rules. Members will be notified of such amendments via email and by publication of the amended Rulebook on the 360T's website (<http://www.360t.com>).⁵ Each such amendment will be deemed to have been approved unless the respective Member objects thereto in writing. A Member must notify 360T of any such objection within six weeks following the relevant notification of an amendment. As noted in Section 3.1 above, 360T generally seeks to accommodate Member objections unless such an accommodation would be inconsistent with applicable laws.

360T's rules treat all Members in a similar manner, and thus do not discriminate among Members. 360T's rules also are designed to facilitate competition among market participants for execution services and thus do not impose any unreasonable burden on competition.

- (b) The Rules are not contrary to the public interest and are designed to**
- (i) ensure compliance with applicable legislation,**

The Rules conform to applicable legislation. Section 72 of WpHG requires 360T to have transparent rules and procedures for fair and orderly trading. 360T's Rules are drafted to comply with such requirements. Pursuant to Rule 5.1(a) and the Access Agreement, each Member agrees to be bound by and comply with the Rules and Applicable Laws. Pursuant to Rule 21, all Transactions are governed by the laws of the Federal Republic of Germany. By agreeing to comply with the Rules and Applicable Laws, such persons are brought within the scope of applicable German rules and regulations. If a Member fails to comply with the Rules or Applicable Law, 360T may at any time revoke, suspend, limit, restrict or qualify such person's trading privileges or pursue other sanctions in accordance with the procedures set forth in Chapter 6 (Code of Conduct), Chapter 10 (Suspending trading), and Chapter 15 (Suspension and termination of membership).

- (ii) prevent fraudulent and manipulative acts and practices,**

As noted in Section 5 above, 360T has adopted Rules prohibiting market manipulation and other illicit conduct. Among other things, Rule 6.1 prohibits any conduct that gives or is likely to give a false or misleading impression as to the market in, or the price of, any product at an abnormal or artificial level.

- (iii) promote just and equitable principles of trade,**

⁵ 360T is not required to notify BaFin of proposed rule changes prior to adoption.

The Rules are designed to promote just and equitable principles of trade. For example, Rule 6.1(g) forbids Members from engaging in any activities that constitute market abuse or which is likely to harm the integrity, fairness, orderliness or reputation of the 360T MTF. Any Member that does not observe such standards will be subject to disciplinary action in accordance with the Rules. As set forth in Rule 6.2, the potential sanctions available to 360T include, among other things, the issuance of a formal written notice, restriction of specific order types, systematic enforcements (e.g., order throttling), suspension from trading specific Instruments, suspension from accessing the MTF and/or termination of the membership.

- (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,**

Cooperation with Regulators

Section 72 of WpHG requires an operator of an MTF to immediately notify BaFin of any serious breaches of trading rules, market integrity issues and evidence of non-compliance with MAR and provide them with full support in their investigations.

Consistent with this requirement, Rule 14.2 provides that 360T may, subject to Applicable Laws, (a) report to any Governmental Authority any material breaches of the Rules, disorderly trading conditions and conduct that may involve market abuse; and (b) assist any Governmental Authority in any investigation of disorderly trading conditions and conduct that may involve market abuse.

360T may disclose information and documents received from a Member to any Governmental Authority where such information and documents are required in connection with an investigation, inquiry or proceedings by such authority. If permitted by Applicable Laws, 360T will give the affected Member at least seven days' written notice of the intended disclosure. The Member is required to co-operate with 360T and any Governmental Authority in any related investigation or inquiry.

Clearance and Settlement

At this time, 360T does not list for trading any products that are required to be cleared. To the extent that 360T lists such products in the future, 360T will submit those trades to the relevant central counterparty clearing house ("CCP"). 360T does not currently facilitate voluntary clearing. However, 360T may consider offering voluntary clearing in the future. In that case, Chapter 12 of the Rulebook would apply to such activities.

- (v) provide a framework for disciplinary and enforcement actions, and**

As noted in Section 7, the Rules set forth 360T's disciplinary and enforcement process.

- (vi) ensure a fair and orderly market.**

Section 72 of WpHG requires an operator of an MTF to have transparent rules and procedures for fair and orderly trading, objective criteria for the efficient execution of orders which are established and implemented in non-discretionary rules, arrangements for the sound management of the technical operations of the facility, including the establishment of effective contingency arrangements to cope with the risks of systems disruption, and transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems.

360T has adopted Rules conforming to such requirements to ensure a fair and orderly market. Chapter 5 of the Rules sets forth certain general obligations of Members that will assist with a fair and orderly market, such as requiring Members to manage the risks inherent in using the 360T MTF by paying regard to its own legal, regulatory and other circumstances. Rule 5.2 requires Members to ensure the safety and soundness of its systems. For example, each Member must ensure that its computer system will not be used in a manner likely to disrupt the provision of the Services, the operation of 360T's trading system or the provision of services to other Members. Additionally, each Member must have adequate and appropriate measures in place to protect the trading system against network and system attacks. Rule 5.3 permits 360T, on reasonable notice, to carry out a third-party audit of the Member's internal risk control systems.

Chapter 6 of the Rules contains a description of prohibited trading practices and specifically proscribes manipulation and disruptive trading practices. Rule 6.2 enumerates the list of disciplinary actions 360T may take.

7. DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and**
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.**

Discipline and Enforcement

As described in greater detail in Section 5 above, 360T may take various actions as a consequence of disruptive behavior and rule violations, including the issuance of a formal written notice, restriction of specific order types, systematic enforcements (e.g., order throttling), suspension from trading specific Instruments, suspension from accessing the MTF and/or termination of the membership.

As provided in Rule 15.3, 360T will notify a Member of a suspension or termination, and the grounds therefore in advance of the suspension or termination taking effect, unless it is impracticable or illegal to do so.

360T ensures that parties are given an opportunity to be heard or make representations. Any decision made by 360T that affects a Member, or an applicant to be a Member, including a decision in relation to access, exemptions, or discipline may be appealed within 360T through a grievance process, which is handled by 360T's Compliance Department. Furthermore, if a complaint involves market abuse then under MAR, this would be reported to the regulator as required by the regulation. 360T could then be advised by the regulator on what course of action to take in regards to the complaint.

Recordkeeping

As required by Rule 9.3, 360T maintains all information regarding a Member's trading activities and records that are in its possession for a period of five years, including any records relating to disciplinary matters.

8. CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

As noted in Section 6, 360T does not list for trading any products that are required to be cleared. To the extent that 360T lists such products in the future, 360T will submit those trades to the relevant CCP. Chapter 12 of the Rules governs facilitation of clearing and settlement of such trades.

As provided in Chapter 12, the counterparties must be clearing members of the relevant CCP or have made satisfactory arrangements with an entity that is a clearing member prior to trading a Cleared Instrument. The CCP mutually selected by the respective Members will administer the clearing and settlement of the Cleared Instruments.

Each Member must comply with the rules and procedures of the relevant CCP in respect of the clearing and settlement of the Cleared Instruments. Where the rules and procedures of the CCP with respect to clearing and settlement conflict with Chapter 12 of the Rules, the rules and procedures of the relevant CCP will take precedence.

After the CCP has confirmed to 360T that the Transaction has been cleared, 360T will notify the Members involved in the Transaction. With regard to Transactions in Instruments that are not Cleared Instruments, the settlement of all executed Transactions must take place directly between the Members in accordance with the terms of the Transaction and the bilateral agreements between the Members.

Rule 12(f) requires a Member, upon 360T's request, to provide promptly (and, in any event, by the end of the business day following the day on which a request is made by 360T) any details relating to settlement of a Transaction. Pursuant to Rule 12(g), each Member must promptly notify 360T upon becoming aware of any inability by a Member to clear or settle an Instrument in accordance with the Rules, Applicable Laws or

acceptable industry practice, such as a loss of access to a relevant settlement and/or clearing system.

8.2 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

As mentioned above, 360T does not currently facilitate voluntary clearing. Pursuant to Chapter 12 of the Rules, Cleared Instruments must be submitted to a CCP approved and appointed by 360T. 360T will only appoint CCPs that are subject to regulatory requirements consistent with the principles for financial market infrastructures set forth by CPMI-IOSCO.

9. SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,**
- (b) order routing,**
- (c) execution,**
- (d) trade reporting,**
- (e) trade comparison,**
- (f) data feeds,**
- (g) market surveillance,**
- (h) trade clearing, and**
- (i) financial reporting.**

9.2 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;**

- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;**
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;**
- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;**
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;**
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and**
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.**

Background

360T has developed its trading system technology in accordance with the requirements set forth in WpHG, which provides that an operator of an MTF must ensure reliable management of the technical processes of the trading system, including:

- (a) providing effective emergency response in the event of a system failure or disruption to its trading systems in order to ensure the continuity of the business;
- (b) ensuring that the trading systems are resilient and have sufficient capacity for peak volumes of orders and communications; and
- (c) ensuring that the systems are able to ensure proper trading in markets, even under extreme stress conditions, and that they are fully audited for these purposes.

Likewise, Section 74 of WpHG requires 360T to manage adequately the risks to which its trading system is exposed, and to identify and effectively limit all risks that are significant to the operation of the trading system.

360T has employed critical systems adequately supporting the functions described in Section 9.1(a)-(i) above. As described in greater detail below, each of these critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable 360T to properly carry on its business.

360T subjects MTF's trading system's critical systems to regular stress tests based on reasonable current and future capacity estimates. The Trading System is also tested for a range of externalities which may damage or impair the operation of the system, including, but not limited to, vulnerability to internal and external threats, including physical hazards and natural disasters and safeguarded against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service.

360T's critical systems are managed through its Enterprise Risk Management program, which is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management framework. The Enterprise Risk Management program is designed to identify potential events that may affect 360T, to ensure risk is within 360T's risk appetite, and to provide reasonable assurance regarding the achievement of entity objectives. The Enterprise Risk Management process is effected by the Board, management and other personnel and applied in a strategy setting across the firm.

360T's Enterprise Risk Management program includes each of the following:

- **Event Identification:** Identify internal and external events affecting the achievement of 360T's objectives.
- **Risk Assessment:** Analyze risks considering the likelihood and impact in order to determine how they should be managed.
- **Risk Response:** Decide for each identified and analyzed risk between the possible response to avoid, accept, reduce, or share the risk. Develop a set of actions to align risks with the risk tolerances and risk appetite of 360T.
- **Control Activities:** Policies and procedures are established and implemented to help ensure the risk responses are effectively carried out.
- **Information and Communication:** Relevant information is identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities.
- **Monitoring Activities:** 360T's risk management processes are monitored and modifications made as necessary.

The components of 360T's Enterprise Risk Management program are independently audited as part of 360T's ISAE-3402 certification.

Business Continuity and Disaster Recovery

360T maintains a Business Continuity Plan (the "**BCP**"). The BCP supports the continued performance of critical functions in the event the headquarters or primary data center is unavailable due to a significant business interruption. The BCP has six objectives:

- (a) to ensure the continuity and recovery of the critical functions through the use of its secondary/disaster recovery facility;
- (b) to minimize the disruption to market participants and business partners;
- (c) to protect the firm's books and records;
- (d) to reduce the number and frequency of ad hoc decisions following a significant business interruption;
- (e) to educate employees on the contingency plans and their roles and responsibilities in executing those plans; and
- (f) to comply with regulatory requirements.

360T maintains two remote sites contracted from leading datacenter providers to be used in the event of a disaster. These sites are disaster-resistant "bunkered" sites, with redundant power sources, data communications and hardware. The sites also have power generators that can maintain operations independent of local power availability. All business critical data (trade, positions and back office transactions) and risk management data are mirrored to these sites in real time, so that all of the data necessary to recover the systems is available at the remote sites at any given time.

Under the BCP, every combination of alternate location and business function is tested at least annually. Any identified issues are noted in the post-test report for follow-up action. The BCP will be revised as needed after any significant change to services provided or systems used by 360T, but not less than annually. Component and data center level failure scenarios are tested multiple times per year.

Recovery Time Objective

360T has a recovery time objective of five minutes for its critical trading infrastructure (data center services (internet connection, power, cooling), Radianz)). 360T has a recovery time objective of one hour for the trading application.

Systems Changes and Testing

Senior IT management must approve all planned changes to systems, whether the result of an incident, routine maintenance, or new application or infrastructure project. All changes have documented implementation and roll-back procedures.

Application changes are monitored and tracked via an issue and project tracking system. This system tracks the progress of the development and testing of application changes. Major changes and new applications are made into projects following the formal 360T delivery method, whereas minor or routine changes need only be scrutinized and approved by technology management.

Additional measures for IT systems are planned to reinforce resiliency. By understanding the capacity of each hardware and software component, a good approximation can be developed of capacity needs and back-up facilities to support anticipated loads.

360T has an adequate information security program to protect data, assets and physical and environmental security. The goal of the information security program is to protect the confidentiality, integrity, and availability of 360T and its participants' information systems and data. The information security program includes:

- (a) Asset Management - Asset management enables efficient, cost-effective methods for supporting, securing, and planning for upgrades, migrations, staff training, and future technology installations.
- (b) Physical and Environmental Security - The information security program enables the management of access to data centers and data and requires approval (e.g., guards, ID badge) for entry into two vendor owned centers where all production systems and data are housed. Both data centers define equipment security surrounding location, support utilities, cabling security, maintenance, and secure removal and re-use. Approval is required for the use of special software, hardware, presentation equipment and home laptop use.
- (c) Authorization, Authentication and Access Control - All computer systems have access controls that require the identity of the user requesting access (User-ID) and a confidential code, which is known only by the authorized user (password). Users are required to keep passwords confidential at all times. All policies must be adhered to whether internally or remotely connecting. Access to modify production data, programs and operating system is limited and requires confidentiality on the firm's data.
- (d) Internet, E-mail and Data Policy - All employees must comply with their internet and e-mail policies to ensure that confidential or non-public information is transmitted only in accordance with data policies. The information security program works to ensure that malicious computer viruses are not introduced into the environment through inappropriate internet use or the download of unauthorized software. All non-public data that traverses public networks is encrypted to ensure privacy. Data is stored on central file servers to allow offline and offsite access. Central file servers are backed up nightly.
- (e) Record Retention - 360T maintains records of transactions executed on its facility for at least five years. Customized checklists are provided based on document type (banking records, accounting records, etc.) to assist employees in determining retention requirements.
- (f) Accountability, Compliance and Auditability - Adherence to security standards, reporting of violations and disciplinary action for non-compliant behavior is required. Logs for production system and application events are maintained and

governs usage of firm equipment by requiring authorization. Policy also specifies non-disclosure of data and auditing policies (copying of proprietary data).

360T also utilizes a capacity management process that encompasses the following:

- (a) Monitoring the performance and throughput of IT systems and the supporting infrastructure components using industry standard monitoring products.
- (b) Undertaking tuning activities to make the most efficient use of existing resources. The performance test environment is used to identify the tuning that will be most efficient.
- (c) Understanding the demands currently being made for IT systems and producing forecasts for future requirements. The performance test environment is used to evaluate future capacity requirements.
- (d) Establishing, maintaining, and verifying the performance and capacity baselines, which enable IT to provide services of the quality defined in the service level agreements (the “SLAs”).
- (e) Utilizing the performance test environment to establish and predict the resource and capacity requirements is crucial to meeting the SLAs.

Testing is completed throughout the system development cycle, leveraging industry standard approaches on the appropriate technology platforms using standard procedures including:

- (a) **Functional Testing:** This focuses on new requirements and new code introduced into the system. This is the first stage of testing and is focused on ensuring new features have been implemented correctly. This type of testing is based upon both black box and white box techniques. Black box testing is defined as verifying the functionality of an application using test cases built around specifications and requirements. White box testing is defined as verifying internal structures or workings of an application as opposed to its functionality.
- (b) **Regression Testing:** This focuses on verification of existing functionality to ensure the introduction of new code has no adverse effects. This testing may be performed in conjunction with functional testing, although it ideally begins when functional testing has completed.
- (c) **Integration Testing:** This focuses on verification of the integrity of the interfaces and communication between applications, both internal and external. Integration testing does not cover the full scope of application functionality, but focuses on the flow of data throughout the system and the touch points with external systems and business partners. This testing begins once all functional and regression testing is complete.

- (d) Production Parallel Testing: This typically takes place in parallel to member simulation testing, two to three weeks prior to production implementation, once functional, regression, and integration testing is complete. Production parallel testing involves replaying production activity through a quality assurance environment and comparing key system outputs at defined verification points against production outputs created for the same business day. This testing functions like a “system regression,” focused on ensuring only explainable differences are found.
- (e) Performance Testing: This focuses on analysis of responsiveness and stability of applications under a particular load. Analysis is performed on areas including, but not limited to, software, hardware, databases, networks, and messaging. Results are used as input into discussions regarding scalability, reliability, and resource usage. The role of quality assurance in this type of testing is ancillary to that of lead developers and architects.
- (f) User Acceptance Testing: This focuses on verification of business functionality exercised by 360T market participants. The effort is coordinated with internal business representatives and external members to derive structured test scenarios to be executed either by members themselves or quality assurance staff per direction of members or business representatives. The expectation is that members sign off on test results, indicating their readiness for production launch. This testing may be structured or “open.” Structured tests could be carried out in quality assurance environments or a Member test environment, such as simulation and usually have defined inputs and expected results in the form of test cases or scenarios. Open tests are generally carried out in the simulation environment, allowing members to execute scenarios of their choosing and at their convenience over a specified period of time prior to production launch.

Finally, 360T conducts regular external penetration tests via a third-party vendor to identify vulnerabilities in 360T’s networks and systems and to measure the effectiveness of controls employed by 360T.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

As noted above, Section 74 of WpHG requires 360T to manage adequately the risks to which its trading system is exposed, and to identify and effectively limit all risks that are significant to the operation of the trading system. Similarly, 360T is required to take appropriate measures to ensure proper pricing, even in the event of significant price fluctuations.

In addition, Section 73 of WpHG provides that 360T may suspend trading in a financial instrument or exclude such instrument from trading where warranted to ensure orderly

trading or protection of the public if there is a suspicion of market abuse in relation to the financial instrument.

Chapter 13 of the Rules describes 360T's procedures for cancelling (busting) Transactions or adjusting Transaction prices. 360T has the authority to cancel (bust) or adjust prices if a Member involved in a Transaction notifies 360T without undue delay that the Transaction was entered by such Member or the counterparty inadvertently or incorrectly. Pursuant to Rule 13.2, 360T may also determine to review a Transaction upon request by a Member involved in the Transaction and provide prompt notice alerting the affected Members of such review. In addition, 360T has sole discretion to cancel or adjust the price of a Transaction if it determines that allowing the Transaction to stand as executed may have a material, adverse effect on the integrity of the market.

In making a determination whether to cancel or adjust the price of a Transaction, 360T may consider any relevant information, including the last trade price of the Instrument, a more recent price for a different maturity date, the price of the same or related Instrument established in another venue or another market and the market conditions at the time of the trade.

360T will make its decision to adjust Transaction prices or bust a Transaction as soon as practicable, and 360T will notify the affected Members and, if applicable, the CCP, of any such decision. If 360T determines to cancel or adjust the price of a Trade, such determination will be final. Busted Transaction prices and any prices that have been adjusted will be cancelled in 360T's official record of time and sales. Transaction that are price-adjusted will be inserted in the time and sales record at the adjusted Transaction price.

Rule 13.3 also permits Members involved in a Transaction to mutually agree to cancel a Transaction. Upon receiving notice from both Members of any cancellation and approving the request, 360T must notify the affected Members and the CCP (if applicable).

Rule 10.3 permits 360T to take necessary steps to restore proper operation of the MTF in the event of a "Material Disruption." For these purposes, a "Material Disruption" includes any disruption, breakdown, or malfunction of any technical system used in connection with 360T's trading system; any attempt to manipulate prices or commit market abuse in relation to any Transaction traded on the trading system; any failure by a third party to supply services or perform obligations to 360T that are required for the proper operation of the trading system; any emergency or extraordinary market conditions or circumstances; or any Force Majeure Event.

Where there is Material Disruption in the Services, 360T has the authority to:

- (a) terminate or suspend the operation of the 360T MTF or of one or more of the Services in whole or in part;
- (b) suspend trading or place restrictions on trading certain Instruments;

- (c) cancel some or all pending Orders;
- (d) cancel some or all Transaction Notices sent to Members during the Material Disruption; and/or
- (e) determine any price adjustment to be made in respect of Transactions formed during the Material Disruption.

Additionally, where there is a Material Disruption or when 360T otherwise believes it is in the best interest of the MTF to do so, 360T may, without notice, terminate, suspend or change the username and/or password of any Authorised User.

10. FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

Section 74 of WpHG requires an operator of an MTF to maintain sufficient financial resources to ensure the proper functioning of the system, taking into account the nature and extent of transactions entered into on the trading system and the nature and amount of the risks to which it is exposed.

360T's financial statements are prepared in accordance with the provisions of the 3rd Book of the HGB ("**Handelsgesetzbuch**": German Commercial Code), the AktG ("**Aktiengesetz**": German Stock Corporation Act) and the RechKredV ("**Verordnung über die Rechnungslegung von Kreditinstituten**": German Bank Accounting Directive). According to § 243 HGB and § 298 (1) ("**Handelsgesetzbuch**": German Commercial Code), the financial statements of the group must be prepared in Euro.

360T's capital requirements are determined in accordance with the financial resources requirements regime as set down under the EU Capital Requirements Regulation (CRR) and EU Capital Requirements Directive IV (CRD IV) transposed and implemented into the KWG under section 10 et seq. 360T's capital requirements are examined on an annual basis by independent auditors in the context of the review of annual financial accounts. In addition, 360T reports its own funds and financial information to the German Central Bank on a quarterly basis pursuant to the COREP and FinaRisikoV reporting framework.

11. TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

As noted above, Section 72 of WpHG requires an operator of an MTF to (i) establish non-discriminatory arrangements for access to the MTF and (ii) publish rules for the

inclusion of financial instruments in trading, for the proper conduct of trading and pricing, for the use of included reference prices and for the contractual management of closed transactions. In addition, the operator is required to monitor for and identify abusive behavior prohibited by MAR.

In keeping with this requirement, Rule 6.1(g) forbids Members from engaging in any activities constituting market abuse or which is likely to harm the integrity, fairness, or orderliness or reputation of the 360T MTF. 360T monitors the trading practices of its Members to confirm that they are in compliance with the Rules, which allows 360T to confirm such trading practices are not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

Chapter 11 of the Rules sets forth the functionality of 360T's trading system. Specifically, Rule 11.1 provides as follows:

- (a) The 360T MTF operates an RFQ trading model, where 360T facilitates Transactions between Members who have a pre-existing underlying trading relationship for the purpose of executing Transactions with one another.
- (b) On a Member initiating the RfQ by submitting a Request, the Member providing a Quote, has to submit the Quote within a timeframe specified by the 360T MTF. During this timeframe, the Members may continually update or otherwise withdraw their Request and Quote.
- (c) No Transaction occurs unless and until the Member submitting the Request selects a Quote, the relevant Member providing a Quote confirms the Quote within a timeframe specified by the 360T MTF ("**Last Look**"), and the 360T MTF confirms that all relevant Transaction Information has been submitted together with the Member's confirmation of the Quote.
- (d) Once a Transaction is concluded on the 360T MTF, Transaction Notices are sent to both Members.
- (e) Upon the earlier of the execution of a Transaction and the expiration of the timeframe referenced above, the remaining Quotes are automatically withdrawn by the 360T MTF.
- (f) The 360T MTF is conducted on a fully-disclosed basis, such that the Members disclose to each other who they are when transmitting Requests or Quotes or entering into Transactions with one another.

Pursuant to Rule 11.2, 360T has the sole discretion to set minimum and/or maximum Order sizes, and any incremental sizes, for any Instrument.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

Article 10 of MiFIR requires an MTF to make available transaction data on a post-trade basis.⁶ In accordance with this requirement, 360T publishes on its website post-trade information on a daily basis and on a weekly basis, which contains an aggregated view of trade data. Likewise, pursuant to 360T's reporting obligations under Directive 2004/39/EC ("MiFID I"), MiFID II and MiFIR, transactions executed on 360T's MTF are reported via an approved reporting mechanism of Deutsche Börse AG to BaFin.

In addition, Section 72 of WpHG requires 360T to publish rules and any other information that is necessary and appropriate for the use of the MTF, taking into account the type of users and the financial instruments traded. Pursuant to Rule 19, 360T publishes all information that is necessary and appropriate for the use of the 360T MTF, taking into account the nature of the Members and the traded Instruments, on its website (<http://www.360t.com>). 360T posts its MTF Rulebook and Schedule of Fees on its website.

12. COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

Rule 5.1 requires each Member to comply with all Rules. Similarly, each Member must execute the Access Agreement, which provides that each Member agrees to be bound by the Rules. Rule 14.2 requires each Member to cooperate with 360T and any Governmental Authority in any investigation or inquiry in relation to 360T. In addition, Rule 14.2 authorizes 360T to disclose information and documents received from a Member in connection with its use of the Services to any Governmental Authority if required in connection with an investigation, inquiry or proceedings by such authority.

Under Rule 15.5, a Member whose trading ability or access to MTF's trading system has been suspended, revoked or terminated remains bound by the Rules. In addition, a suspended or terminated Member is obliged to pay any and all Fees pursuant to the Rules, is liable for all obligations arising pursuant to Transactions to which it is a party and for all other obligations whether incurred before, during or after such suspension or

⁶ Similarly, Article 8 of MiFIR requires an MTF to make available bid and offer prices and market depth information on a pre-trade basis. However, BaFin has granted a waiver to 360T in accordance with Article 9 of MiFIR with respect to the foregoing pre-trade transparency obligations.

termination, and is responsible and liable for its acts and omissions during its membership.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

Rule 14.1 requires 360T to monitor the trading activity conducted under these Rules with a view to identifying breaches of the Rules, disorderly trading and conduct that may amount to market abuse. In addition, 360T has made appropriate arrangements to ensure that it has appropriate systems, resources and procedures for evaluating compliance with the Rules and legislative requirements and for disciplining market participants. 360T monitors its compliance resources and will engage additional personnel as deemed necessary on a temporary or permanent basis.

360T's automated monitoring system, Scila, has been operating for over eighteen months. The parameters of the alert-based system are dynamically set by participant risk levels based on statistical analysis gathered by the Risk Level Group at 360T. Additionally, fine tuning of alert parameters is performed by senior compliance employees with input from additional compliance staff and the business teams.

Alerts are checked daily by first level support and escalated to second level support for escalation or closure. All escalated items are sent to the Head of Market Conduct at 360T and the Chief Compliance Officer, if necessary.

For further details, see Section 5 above.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

As explained above, Rule 14.2 requires each Member to cooperate with 360T and any Governmental Authority in any investigation or inquiry in relation to 360T. In addition, Rule 14.2 authorizes 360T to disclose information and documents received from a Member in connection with its use of the Services to any Governmental Authority, including the Commission, if required in connection with an investigation, inquiry or proceedings by such authority.

13. RECORD KEEPING

13.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange,

audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

Rule 9.3 requires 360T to maintain all information on Member's trading activities and records that are in its possession. These records include all records concerning the operations of the MTF, audit trail information on all trades, and compliance with, and/or violations of the Rules.

14. OUTSOURCING

14.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

As provided in the 360T Outsourcing Policy, 360T performs an evaluation of its outsourcing partners in order to determine which outsourced services or activities would be regarded as material in terms of risk. Based on the Risk Analysis Questionnaire, the 360T Compliance Department conducts a risk assessment taking into account information provided by relevant organizational units (in particular, the Business Owner, as defined below) and the internal audit function.

360T management has appointed an Outsourcing Officer and a Deputy of the Outsourcing Officer who is ultimately responsible for the outsourcing oversight function. In addition, for each outsourced service, 360T identifies and appoints a responsible business person (the "**Business Owner**"). The Business Owner is the competent contact person for any queries on the outsourced service and will have at least a solid basic knowledge of the content and details of the outsourced service.

Each outsourcing service will be based on a written contract, and the Legal Department will be responsible for ensuring that all contracts with outsourcing partners (both material and non-material) fulfill applicable regulatory requirements. Each outsourced servicing contract will be signed by at least one member of 360T management and an additional authorized signatory.

15. FEES

15.1 Fees

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.**
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.**

Section 72 of WpHG provides that fee structures, including execution fees, ancillary fees and any rebates, must be transparent and non-discriminatory. The fees must not create any incentives to place, change or cancel orders or conduct business in a manner that contributes to market disrupting trading conditions or market abuse.

In addition, Section 72 of WpHG requires an operator of an MTF to demand separate charges for excessive use of the MTF, including excessive messaging in particular. The level of these charges should be proportionate to effectively address over-use and the associated negative impact on system stability or market integrity.

Consistent with these requirements, 360T has adopted fees that are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by Members to the services offered by the MTF. As noted in Section 4 above, 360T charges comparable fees to all Members that receive comparable access to MTF's trading system. 360T does not restrict access or impose burdens on access in a discriminatory manner within each category or class of Members or between similarly situated categories or classes of Members.

The process for setting fees is fair and appropriate. 360T's fees are established based on an ongoing consideration of the implications of such fees on its Members and their businesses. 360T considers various factors in setting fees, including the fees of its competitors, 360T's own costs, the amount of volume in the applicable product and the temper and reactions of market participants.

360T operates in a highly competitive marketplace for foreign exchange transactions and establishes fees at market rates. Members in foreign exchange markets have a wide variety of trading options from which to select, ensuring that 360T sets fees competitively.

360T believes that its fee schedule is in line with current market practice and notes that it is publicly available. These fees do not create unreasonable barriers to access because of their uniform application to all Members.

To provide the public with access to the transparent fee schedule, 360T publishes the fee schedule on its website: <https://www.360t.com/regulatory-affairs/multi-lateral-trading-facility-mtf/>

16. INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise cooperate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

As described above, Rule 14.2 requires each Member to cooperate with 360T and any Governmental Authority in any investigation or inquiry in relation to 360T. In addition, Rule 14.2 authorizes 360T to disclose information and documents received from a

Member in connection with its use of the Services to any Governmental Authority, including the Commission, if required in connection with an investigation, inquiry or proceedings by such authority.

16.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

The Commission and BaFin are parties to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (revised May 2012), which provides for mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective securities and derivatives laws and regulations in the jurisdictions of the signatories thereto.

17. IOSCO PRINCIPLES

17.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

The IOSCO Principles are designed to help ensure that physical commodity markets serve their fundamental price discovery and hedging functions while operating free from manipulation and abusive trading schemes. 360T believes that MiFID II, MiFIR and BaFin regulations are consistent with the IOSCO Principles. Therefore, 360T believes that it will be adhering to the IOSCO Principles to the extent that it complies with the MiFIR and BaFin regulations.

* * *

Part II – Submission by 360T

360T represents and understands the following:

1. 360T satisfies the criteria for exemption set out in Part I of this Application;
2. the granting to the 360T of the requested exemption would not be prejudicial to the public interest; and
3. 360T consents to the publication of this Application for public comment on the Commission's website.

* * *

If you have any questions or you would otherwise like to discuss this further, please contact Martin Oakley, Global Head Regulatory Affairs & Group Chief Compliance Officer, at martin.oakley@360t.com or at +44 20 7862 7509 (U.K.) or +49 69 900289720 (Germany).

Sincerely,

Carlo Köelzer
Group CEO, 360T Group
360 Treasury Systems AG
26 July 2018