

POSIT (UK) MTF Rulebook

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1) Participant application requirement

- a) Only eligible counterparties and professional clients as defined in Directive 2014/65/EU (“MiFID”), and Regulation (EU) No 600/ 2014 (“MiFIR”) as transposed by provisions of Financial Services and Markets Act 2000 (“FSMA”), as amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (“MiFID II”) may be direct participants (as defined in MiFID II) of POSIT (UK) MTF. Applicants to become participants must be deemed at all times to:
- i) be fit and proper;
 - ii) have proven track record of trading capabilities and competences;
 - iii) have adequate governance and organisational arrangements;
 - iv) have sufficient resources including, without limitation, capital adequacy and financial resources; and
 - v) have adequate systems and controls that at a minimum include:
 - (1) pre trade controls on price, volume and value of orders;
 - (2) kill functionality on orders that are proportionate to their trading activity;
 - (3) procedures and controls designed to prevent the entry of erroneous orders to POSIT (UK) MTF;
 - (4) post trade controls on its trading activities; and
 - (5) appropriate order management, order routing, execution, voice and other recording facilities to provide to Virtu ITG UK Limited (**VIUK** or **the operator**) on request of any such recordings.
- b) Participants must ensure that their staff are fit and proper, have a sufficient level of trading experience, knowledge, ability and competence. VIUK, as operator of POSIT (UK) MTF, reserves the right to require participants to demonstrate that these conditions are met.
- c) If at any time a participant does not comply with these rules, VIUK may suspend, restrict or terminate the participant’s access to POSIT (UK) MTF. Participants that are not credit institutions or investment firms under UK law will be required to adhere to the requirements set out in MiFID II. Failure to comply with these requirements may result in VIUK suspending, restricting or terminating the participant’s access to POSIT (UK) MTF.
- d) To become a participant in POSIT (UK) MTF, the relevant entity must submit a signed VIUK customer agreement, a list and details of key contacts and, any additional information reasonably required for VIUK to assess the applicant’s eligibility to become a participant or otherwise in connection with the application to become a participant in POSIT (UK) MTF.
- e) The application materials and requirements, these rules, the participant manual, technical and connectivity documentation or information, guidance, decisions or directions applicable to all participants (the **Rules, Manuals and/ or Guidance**) are available at www.virtu.com (the **Website**) or provided on request.

2) Fees and charges

The fees, charges and any other costs for the provision of the various services provided by VIUK as operator of POSIT (UK) MTF are available at the Website.

3) Compliance with all applicable rules and regulations

- a) Participants must comply at all times with the Rules, Manuals and Guidance.
- b) Each participant must ensure that its officers, employees and agents comply with all applicable rules and regulations relating to the participant’s business and operations, including (without

limitation) all reporting requirements under onshored MiFID II and other UK law. (e.g. significant shareholding requirements).

- c) A participant shall not in respect of its POSIT (UK) MTF business:
- i) commit any act or engage, or attempt, in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price or value of, any financial instrument ;
 - ii) enter (or attempt to enter) into transactions on POSIT (UK) MTF or enter (or attempt to enter) into orders which employ fictitious devices or any other form of deception or contrivance;
 - iii) manipulate (or attempt to manipulate) the reference price on the primary market in order to achieve a more favourable execution in POSIT (UK) MTF;
 - iv) attempt to or commit any act or engage in any course of conduct which damages the fairness or integrity of POSIT (UK) MTF;
 - v) attempt to or commit any act or engage in any course of conduct which causes, or is likely to contribute to, a breach of the Rules, Manuals or Guidance by another participant;
 - vi) engage in or permit through it sponsored access of POSIT (UK) MTF;
 - vii) engage in any act prohibited by law, including without limitation, market abuse (whether insider dealing or market manipulation).

VIUK monitors for the above activities and any participant that engages in the above activities may be expelled from its participation in POSIT (UK) MTF and VIUK will be entitled to cancel its POSIT (UK) MTF orders and transactions.

- d) A participant shall provide VIUK with all reasonable assistance regarding the investigation of a possible breach of the Rules, Manuals or Guidance. Such assistance shall include, without limitation, providing access to information and individuals reasonably within the control of the participant. VIUK may report breaches of the Rules, Manuals or Guidance to the relevant national competent authority and any other relevant regulatory authority. VIUK will provide full assistance to the Financial Conduct Authority in investigating and prosecuting reasonably suspected market abuse.
- e) Participants must ensure that their officers, employees or agents accessing POSIT (UK) MTF have the necessary training and supervision in relation to their engagement with POSIT (UK) MTF and its systems.
- f) Participants are responsible on a continuing basis for all the acts and conducts of persons trading under its user account. Participants shall be held responsible for violations of the Rules, Manuals, Guidance or applicable rules and regulations and VIUK may suspend or terminate the relevant participant's rights of access and use of POSIT (UK) MTF.
- g) VIUK has arrangements in place in relation to messaging capacity limits, details of which are available to participants. VIUK may, in its sole discretion, suspend, restrict or terminate trading on POSIT (UK) MTF or impose conditions on trading in POSIT (UK) MTF or suspend, restrict or terminate a participant's access to POSIT (UK) MTF.
- h) Participants must at all times meet the technology requirements as notified by VIUK from time to time.

4) Market segments

POSIT UK MTF has the following market segments:

- a) a non-pre-trade transparent segment in equities and equity like instruments (the **Equities Dark Segment**) utilising:

- i) a system that accepts non pre-trade transparent orders under articles 4(1)(a) and 4(1)(c) MiFIR, at either; the midpoint price of the reference market or; at any price, dependent on the applicable waiver.
 - ii) a system that accepts non pre-trade transparent orders under articles 4(1)(a) and 4(1)(c) MiFIR at a close price point; and
 - iii) a system that accepts non pre-trade transparent orders under article 4(1)(c) MiFIR at any price point;
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- b) a lit periodic auction segment (the **Equities Periodic Auction Segment**) running auctions at frequent intervals with randomised timing and subject to certain conditions being met, such auctions being triggered on receipt and acceptance of a buy or sell order into the system segment; and
 - c) a request for quote segment (the **RFQ Segment**) that accepts quote requests and responding quotes from multiple buying / selling interests on a pre-trade transparent basis and on a non-pre trade transparent basis under article 4(1)(c) MiFIR.

Each such segment is more particularly described in the participant Manual and (where applicable) Guidance issued by VIUK from time to time and available at the Website.

5) Instrument Universe

POSIT (UK) MTF only accepts orders/quotes into the system's segments for financial instruments that are listed in the '**POSIT MTF Universe**' file available on the Website under the VIUK section.

6) Trading hours

- a) The hours of operation of each of the segments of POSIT (UK) MTF will be as decided by VIUK and communicated to participants through Guidance which is available for review at the Website.
- b) VIUK will only change the calendar and/ or hours of operation of any of the segments of POSIT (UK) MTF after giving reasonable notice at the Website.

7) Systems, controls, policies and procedures

- a) VIUK has arrangements in place in relation to messaging capacity limits, details of which are available to participants. VIUK may, in its sole discretion, suspend, restrict or terminate trading on POSIT (UK) MTF or impose conditions on trading in POSIT (UK) MTF or suspend, restrict or terminate a participant's access to POSIT (UK) MTF.
- b) Participants must at all times meet the technology requirements as notified by VIUK from time to time.
- c) Participants must maintain each necessary form of electronic communication with POSIT (UK) MTF or required under any Guidance issued by VIUK. Without limitation, in order to maintain electronic communication with POSIT (UK) MTF, participants should have the necessary communication line access, servers and software.
- d) Participants access to POSIT (UK) MTF must be subject to participant information security protocols. Participant information security protocols must comply with all applicable rules, regulations and Guidance). For the avoidance of doubt, such participant information security protocols must be capable of restricting access to POSIT (UK) MTF only to participant authorised users
- e) Participants must ensure at their own cost that each of their (whether owned, under license or, under service contract with a third party) relevant equipment, hardware or, software is at all times compatible with the POSIT (UK) MTF systems.
- f) Participants are responsible for compliance with all applicable rules and regulations (including, without limitation, MiFID II) in relation to the entry, deletion and execution of an order/quote in that participant's name.
- g) Participants are responsible for compliance with all MiFID II order record keeping requirements as specified in Guidance issued from time to time (available at the Website).
- h) Participants must:
 - i) undertake appropriate conformance testing using the POSIT (UK) MTF conformance testing facility prior to the initial use of, or a substantial update to, their (in each case) access to the POSIT (UK) MTF system or, any trading algorithm or algorithmic trading strategy for sending orders/quotes to POSIT (UK) MTF; and
 - ii) prior to the initial use of or update of any trading algorithm or algorithmic trading strategy, certify to VIUK that the initial use or update of the algorithm or strategy (as applicable) has been tested to ensure compliance with all applicable rules and regulations relating to maintaining fair and orderly markets.

- i) Subject to the relevant participant (and where applicable, the relevant Sub-delegation DEA Client) being an investment firm authorised under MiFID II or a credit institution authorised under Directive 2013/36/EU as transposed in the UK and any refusal or restriction imposed by VIUK as operator of POSIT (UK) MTF, where a participant or its client (a **Sub-delegation DEA Client**) provides direct electronic access (as defined MiFID II), the participant must at all times:
- i) remain responsible for all trades executed using that participant's access to POSIT (UK) MTF;
 - ii) maintain adequate and effective systems, controls, policies and procedures throughout the trading cycle. Such systems, controls, policies and procedures must satisfy the requirements of all applicable rules and regulations including, without limitation, MiFID II;
 - iii) ensure that the Sub-delegation DEA Client maintains adequate and effective systems, controls, policies and procedures throughout the trading cycle. Such systems, controls, policies and procedures must satisfy the requirements of all applicable rules and regulations including, without limitation, MiFID II;
 - iv) ensure that it undertakes due diligence on any relevant person prior to granting direct electronic access under and in accordance with MiFID II, and any other rule, policy statement, guidance or market watch provided by a national competent authority (as defined in MiFID II) or the Financial Conduct Authority;
 - v) ensure that the Sub-delegation DEA Client undertakes due diligence on its relevant client prior to granting direct electronic access under and in accordance with the relevant rules and requirements, in each case, of MiFID II, and any other rule, policy statement, guidance or market watch provided by a national competent authority (as defined in MiFID II) or the Financial Conduct Authority;;
 - vi) distinguish its client order flow segmented by client and retain full and unfettered control over such order flow in order to, without limitation, cancel, delete or amend;
 - vii) ensure that the Sub-delegation DEA Client requires its relevant client to distinguish its client order flow segmented by client and retain full and unfettered control over such order flow in order to, without limitation, cancel, delete or amend;
 - viii) ensure that its clients comply with all the POSIT (UK) MTF Rules, Manuals and Guidance and all applicable rules and regulations and, policy statements, guidance or market watch provided by a national competent authority (as defined in MiFID II) or the Financial Conduct Authority;
 - ix) ensure that the Sub-delegation DEA Client requires its relevant client to comply with all the POSIT (UK) MTF Rules, Manuals and Guidance and all applicable rules and regulations and, policy statements, guidance or market watch provided by a national competent authority (as defined in MiFID II) or the Financial Conduct Authority;
 - x) notify VIUK of the participant's intention to provide direct electronic access to a client and when it ceases to provide such access; and

- xi) ensure that the Sub-delegation DEA Client notifies it of the intention to provide direct electronic access to a client of the Sub-delegation DEA Client and when it ceases to provide such access.

8) Trading rules

- a) All orders/quotes submitted by a participant, or on behalf of, a participant's client(s) and all resulting executions are subject to the Rules, Manuals and Guidance. Participants shall be bound by the Rules, Manuals and Guidance.
- b) VIUK is under no obligation to notify participants of pending market events or corporate actions which are likely to impact the price of financial instruments admitted to trading in one of POSIT (UK) MTF's segments.
- c) Participants may amend or cancel an order/quote entered into the relevant POSIT (UK) MTF segment in accordance with requirements as specified in Guidance issued from time to time (available at the Website).
- d) VIUK may, in its sole discretion, reject or cancel an order entered into the system if it considers that the order is invalid, incorrect, fraudulent, or if required to preserve a fair and orderly market on POSIT (UK) MTF.
- e) Tick sizes applicable to any of the segments of POSIT (UK) MTF are contained in Guidance issued by VIUK and available to view at the Website.
- f) Participants must ensure that their ratio of unexecuted orders to transactions is in accordance with VIUK's Guidance which is available at the Website, if required
- g) If VIUK suspends or removes a financial instrument (as defined in MiFID II) in POSIT (UK) MTF, any outstanding orders/quotes or unexecuted orders/quotes in that financial instrument will be cancelled with immediate effect.
- h) When an order is matched or a quote is accepted in POSIT (UK) MTF, a binding contract is immediately concluded between the relevant participants for the sale and purchase of the specified number of financial instruments (as defined in MiFID II) and at the price determined under the rules of POSIT (UK) MTF.
- i) If an order/quote is submitted by, or on behalf of, a participant and it is subsequently executed, no cancellation or reversal is permitted unless agreed by VIUK and the counterparty to the relevant transaction. A participant wishing to cancel a transaction must submit a cancellation request as soon as possible and, in any event, prior to the settlement date of the transaction. Neither VIUK nor its affiliates shall have any responsibility or liability for the failure of a participant to cancel an order/quote. VIUK may, in its sole discretion, and without any liability on its part or the part of its' affiliates, refuse to act upon, execute or otherwise implement any order/quote and may cancel, halt and/ or constrain any order/quote (including an order/quote it believes to be or could be manipulative, disorderly, fraudulent, invalid or contrary to any rules/regulations), trade or execution. VIUK shall make commercially reasonable efforts to notify each participant affected as soon as reasonably practicable of such refusal or cancellation. Without prejudice to the generality of the foregoing, VIUK may, if in its sole discretion it determines that circumstances warrant, cancel a clearly erroneous transaction regardless of whether or not a participant has requested such cancellation.
- j) VIUK shall take no responsibility for marking POSIT (UK) MTF transactions as 'ex' or 'cum' a benefit on POSIT (UK) MTF. The responsibility for accurately pricing a financial instrument transacted in POSIT (UK) MTF undergoing a corporate action is solely the responsibility of the participant.

9) Pre-Trade Disclosures

- a) In respect of transactions concluded on the Equities Dark Segment, VIUK as operator of POSIT (UK) MTF has received from the Financial Conduct Authority waivers under articles 4(1)(a) (a reference price waiver facility) and 4(1)(c) (a large in scale waiver facility) MiFIR from the pre-trade transparency requirements set out in article 3 MiFIR. On that basis, VIUK as operator of POSIT (UK)

MTF, will not make public the information required under and in accordance with article 3 MiFIR in respect of orders entering the systems described in sections 4(a)(i) to (iii) (inclusive) of these Rules.

- b) In respect of transactions concluded on the Equities Periodic Auction Segment and in accordance with article 3 MiFIR, VIUK as operator of POSIT (UK) MTF, shall make public the indicative price at which each relevant auction would execute if it was to execute at that point in time as well as the volume that would execute if it was to execute at that point in time for the respective indicative price (each such publication, a Pre-trade Report). The Guidance (available at the Website) contains further details of the relevant Pre-trade Report for each auction, the publication mechanism and how a person can obtain access to the publication mechanism.

10) Post-Trade Disclosures

- a) In accordance with Annex 1 of Table 3 of Commission Delegated Regulation (EU) 2017/587, VIUK makes public details of transactions concluded in POSIT (UK) MTF. VIUK will always publish the gross price at which the trade was executed. POSIT (UK) MTF trade data is monitored in accordance with MiFID II. All transactions concluded in POSIT (UK) MTF are reported to an Approved Publication Arrangement (as defined in MiFID) as close to real-time as is technically possible and in any case within one minute of the relevant transaction. POSIT (UK) MTF transactions in AIM securities are reportable to the London Stock Exchange (**LSE**) and are subject to its rules. Any changes to reporting mechanisms will be made available through its Guidelines published at the Website.
- b) In accordance with MiFID II, VIUK (as the operator of POSIT (UK) MTF) will transaction report all transactions of non-UK participants which are carried out in POSIT (UK) MTF. Non UK participants must provide to VIUK all necessary information relating to their trades in accordance with MiFID II and within the timescale notified by VIUK from time to time.

11) Market making

Any participant shall immediately notify VIUK if at any time, such participant, is or acquires a reasonable belief that it is, engaged in pursuing a market making strategy (as defined in article 17(4) MiFID) in POSIT (UK) MTF in a financial instrument (as defined in MiFID II) that is admitted to trade in POSIT (UK) MTF. Subject to VIUK's assessment, any participant that VIUK determines that it is pursuing a market making strategy in POSIT (UK) MTF shall enter into agreement with VIUK (as operator) to post firm and competitive prices on a regular and predictable basis in the relevant financial instruments admitted to trade.

12) Settlement and default procedures

- a) In respect of the Equities Dark Segment and the Equities Periodic Auction Segment, VIUK is the settlement counterparty vis a vis each participant in POSIT (UK) MTF transactions. A participant must ensure it has adequate settlement arrangements in place. A participant shall ensure that every transaction effected by it, or on its behalf, is settled in accordance with the settlement rules and market practice, including settlement due date, of the settlement system for transactions executed on the primary market. Each participant must provide VIUK's operations function with settlement instructions prior to executing a transaction.
- b) Participants acting in an agency capacity for third parties are bound as principal with the counterparty to the relevant transaction.
- c) Participants must settle the relevant transactions on or before the end of the standard settlement cycle for the relevant financial instrument.
- d) Participants shall ensure that financial instruments and/ or cash delivered in settlement of a relevant transaction are delivered free of any lien, charge or encumbrance.
- e) VIUK may postpone or extend a settlement period for all or for a specified number of transactions in specified financial instruments on a given day, for a specified period or indefinitely.

13) Admission, removal and suspension of financial instruments

- a) VIUK will only admit financial instruments to trading on POSIT (UK) MTF where they have a primary listing in another trading venue (as defined in MiFID II) or a third country venue.
- b) VIUK will immediately suspend trading in any financial instrument without prior notice to participants if requested to do so by a national competent authority (as defined in MiFID II) or if a suspension in the primary listing of the relevant trading venue or third country venue has taken place or, subject to there being no significant damage to investors' interests or the orderly function of the market, to preserve the fair and orderly trading in that financial instrument in POSIT (UK) MTF.
- c) Whilst a financial instrument is suspended from trading in POSIT (UK) MTF, no conclusion of transactions under the rules of POSIT (UK) MTF will take place during the relevant suspension period.
- d) Where notification of a suspension has been received from the Financial Conduct Authority, but the suspension not yet implemented in the system; the Operator reserves the right to require participants to a match in the suspended instrument to reverse any match(s) that may occur during this period.

14) Information covenants

- a) Other than in relation to a restriction under applicable law and for the purpose of confirming compliance with the Rules, Manuals and/ or Guidance, participants will disclose at all times to VIUK information or provide documentation in their custody or control that is in relation to or in connection with any aspect of their POSIT (UK) MTF business that VIUK would reasonably expect to be informed and which should include, without limitation:
 - i) a change of control where a natural or legal person acquires or sells a direct or indirect interest in the participant within the meaning of an acquisition under article 11 MiFID;
 - ii) a change of name of the participant, the parent or the ultimate parent;
 - iii) a change in the legal status of the participant;
 - iv) the participant is:
 - (1) unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (2) the value of the assets of a participant is less than its liabilities; or
 - (3) a moratorium is declared in respect of any indebtedness of a participant;
 - v) a material breach of any of the Rules, Manuals or Guidance;
 - vi) the commencement of any investigation or disciplinary action by a national competent authority (as defined in MiFID II) relating to the participant's activities on POSIT (UK) MTF or which may affect the relevant participant's compliance with any of the Rules, Manuals or Guidance;
 - vii) a material adverse change affecting the participant's ability to comply with any of the Rules, Manuals or Guidance; or
 - viii) a change which impacts the participant's ability to meet the relevant requirements set out in section 1 (Participant application requirements) of these Rules.
- b) Participants will assist VIUK with any investigation relating to a possible breach of the Rules.
- c) Participants agree that VIUK can disclose the name of participants and any information that relates to such participant to national competent authorities (as defined in MiFID II).

15) Participant termination/ resignation requirements

A participant must give VIUK no less than thirty calendar days' notice of its intention to resign as participant in POSIT (UK) MTF. VIUK reserves the right to refuse or extend the period required for a participant to resign until such time that VIUK considers that there are no further obligations (that need to be met by the relevant participant) or ongoing investigations in connection with or in relation to that participant. For the avoidance of doubt, a participant's resignation will not be effective until all outstanding orders/quotes have been matched/accepted, cancelled or withdrawn and all resulting transactions matched in POSIT (UK) MTF have been fully settled.

16) Complaints

- a) All participant complaints relating to the operation of POSIT (UK) MTF should be in first instance notified to the relevant participant's sales representative. The sales representative for VIUK will escalate the complaint internally and arrange for a response as soon as possible but, in any event no later than after a reasonable period of time has elapsed since the complaint was first discussed with the relevant sales representative. Should the relevant participant prefer to communicate directly to the compliance function, please refer to section 8 of the participant Manual for contact details of the Chief Compliance Officer.
- b) All participant complaints relating to the conduct of another participant should be submitted to the compliance function of VIUK. The compliance function may request any information it considers necessary (in its sole discretion) to decide on an appropriate course of action to seek to resolve the complaint.

17) Disciplinary processes

- a) Failure to comply with the Rules, Manuals or Guidance or applicable law, rule or regulations may result in VIUK taking such disciplinary actions against the relevant participant as it may in its discretion consider appropriate for the purpose of maintaining fair and orderly trading in POSIT (UK) MTF and may include suspending, restricting or terminating the relevant participant's access to POSIT (UK) MTF.
- b) Certain types of behaviour may be reported to a relevant national competent authority.
 - c) Participants can appeal a disciplinary decision made by VIUK. Any appeal must be in writing and delivered to VIUK's senior management within a reasonable period of time after receipt of VIUK's decision. The disciplinary decision and the appeal will be re-considered by VIUK's senior management and will notify the relevant participant in writing no later than 30 calendar days after receipt of the appeal.

18) Amendments

- a) In VIUK's absolute discretion, it may amend the Rules, Manuals or Guidance. VIUK will notify participants of any amendment or update to the Rules, Manuals or Guidance by publishing the proposed amendment or update at the Website.
- b) Subject to specified timing requirements of any relevant regulatory instructions or requests, material amendments to the Rules, Manuals or Guidance will only take effect after 30 calendar days from the date that the amendment or update is published at the Website.
- c) Participants will not be provided with advance notice of immaterial amendments to any of the Rules, Manuals or Guidance.
- d) Subject to specified timing requirements of any relevant regulatory instructions or requests, participants will be provided with a notice of no less than 30 calendar days in the event of material changes, suspension or termination of POSIT (UK) MTF services.

19) Tax

- a) It is the sole responsibility of each participant to assess whether any tax liability or exemptions that arise from the execution of transactions.
- b) It is the sole responsibility of each participant to assess whether the United Kingdom Panel on Takeovers and Mergers' levy and its rate payable applies to a transaction.

20) Conflicts of Interest

Virtu Europe Trading Limited (VETL), a sister entity to VIUK (the operator) under the same holding company is a participant in POSIT (UK) MTF (subject to at all times meeting the Rules participant eligibility criteria). VETL only offers agency brokerage services to its clients and has internal processes for the appropriate management of any conflict of interest arising from VIUK's operation of POSIT (UK) MTF and VETL provision of certain agency brokerage services. VIUK as operator is mandated to take all actions necessary under the Rules, Manuals and Guidance notwithstanding its or its affiliates' participation in POSIT (UK) MTF or being a party to a transaction executed in POSIT (UK) MTF.