

BUSINESS RULES

OF

THE EXCHANGE

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CHAPTER 1: - DEFINITIONS AND INTERPRETATION

1.1. Definitions

American Option is a type of Option Contract, in which the Buyer of the Option Contract has the right to exercise the Option Contract at any time on or before the expiration date of the Option Contract.

Appeals Committee means a Committee constituted in accordance with these Rules.

Applicant Member means an entity or a person as may be permitted under the Relevant Acts who is seeking to be admitted as a Member of the Exchange and/or the Clearing House.

Authorised User means suitable persons appointed by Members and registered with the Exchange to operate the trading terminal allocated to them by the Exchange.

Automated Trading System or **ATS** means the computerised system provided by the Exchange for trading in Securities. Access to ATS is made available to Members for use either by itself or by its Authorised User. The ATS makes available quotations in the Securities traded on the Exchange, disseminates information regarding trades effected, volumes transacted and other notifications, as may be decided by the Exchange to be displayed thereon.

Block Trade means large trades executed pursuant to a minimum threshold as specified by the Exchange.

Board means the Board of Directors of the Exchange.

Business Day means a day on which the trading is permitted for each segment by the Exchange.

Buyer means a buyer of any Security.

Buy Order means an Order to buy a Security.

Cash Products refer to the Securities that are traded on the Exchange according to their current or spot price and includes the following:

- (a) Equity Securities including Rights offering and Depository Receipts;
- (b) Debt Securities;
- (c) Funds Securities including hedge funds, ETFs, REITs and other similar Securities;
- (d) Structured Securities including ETCs and ETNs;
- (e) Sharia compliant Securities including Sukuk;
- (f) Any other type of Security which FSC may approve from time to time.

Cash Settled Contract means a Contract which shall be fulfilled by cash settlement rather than by physical delivery of the Underlying.

Circular or **Notice** means informational notifications or a binding communication issued by the Exchange from time to time to Member(s) and transmitted by fax, e-mail or any other method and manner which the Exchange may deem appropriate, including publication through the website and titled "Circular" or "Notice" accordingly.

Clearing House means Bourse Africa Clear Ltd and its successors (if any).

Clearing Member shall have the same meaning ascribed to the term "Clearing Member" in the Clearing Rules.

Clearing Rules means the business rules of Bourse Africa Clear Ltd.

Client means a person for whom a Member undertakes a trade or otherwise performs services on the Exchange.

Client Account with respect to a Member means an account in the books of the Member to which the Client Positions of the Member are designated.

Client Position means a position arising from any Security entered into for the account of any Client, whether the position is open or has been liquidated.

Closing price means a price determined for each Security or for the Underlying (as the case may be) at the end of each Business Day in accordance with the method published by the Exchange and/ or the Clearing House.

Collateral shall have the same meaning ascribed to the term "Collateral"

in the Clearing Rules.

Committee means group or body of persons appointed by the Board to undertake tasks or responsibilities specified by the Board.

Contract means a derivative traded on the Exchange.

Contract for Difference (CFD) means a standardized Derivative traded on the Exchange where a buyer and a seller agree to exchange the difference in value of a particular Underlying between the time when the Contract is opened and when it is closed.

Contract Month or Delivery Month means that month in which contractual obligations in respect of a Security is due for fulfilment by the parties

Contract Premium means the premium at which an Options Contract is traded.

Contract Specifications means the standardised commercial and technical terms of a Security admitted for trading on the Exchange which may include the size of the Contract, Contract Month, trading hours, Underlying, minimum price fluctuations, Last Trading Day, settlement basis and such other details as may be set out by the Exchange.

Controllers shall have the same meaning ascribed to the term “Controllers” in the FSA.

Corporate Action shall have the same meaning ascribed to the term “Corporate Action” in the Clearing Rules.

Daily Settlement Price means the official daily price for each Security as determined by the Exchange and/or the Clearing House having regard to prevailing market prices and/or such other factors as the Exchange and/or Clearing House considers relevant.

Declaration Date means the day or time by which the Buyer of the option must indicate to the Seller his intention to exercise the option.

Default has the same meaning as the term “Event of Default” in these Rules.

Defaulter means a Member who has been declared to be a Defaulter

under these Rules.

Delivery means the settlement of a Security in the manner specified by the Clearing House.

Delivery Day has the same meaning ascribed to the term “Delivery Day” in the Clearing Rules.

Delivery Margin has the same meaning ascribed to the term “Delivery Margin” in the Clearing Rules.

Delivery Period has the same meaning ascribed to the term “Delivery Period” in the Clearing Rules.

Derivative shall have the same meaning as defined in the Relevant Acts.

Disciplinary Committee means a Committee created under these Rules.

European Option is a type of Option Contract, in which the Buyer of the Option Contract has the right to exercise the Option Contract on the Expiration Date or Last Trading Day of the Contract

Exchange means Bourse Africa Limited which is licensed by the FSC to operate a securities exchange under the laws of Mauritius.

Exchange for Physicals or EFP means Exchange of Futures for Physical and is a transaction through which a Futures Contract is exchanged for or in connection with a cash transaction that is executed off the Exchange or in a Derivative of the same Underlying.

Exchange for Swaps or EFS means Exchange of Futures for Swap and is a transaction through which a Futures Contract is exchanged for or in connection with a cash transaction that is executed off the Exchange or in a Derivative of the same Underlying.

Expiry Date or Expiration Date means the last date on which a Futures Contract can be traded or an Options Contract can be exercised. In the case of a Futures Contract, it is the date on which the contract will expire and in the case of an Options Contract, it is the last date on which the Options Contract can be exercised. It is the date on which the holder of an option may elect to exercise the option or allow it to expire worthless.

Event of Default means a term defined under these Rules.

Final Settlement Price means the Daily Settlement Price fixed by the Exchange for a Futures or an Options Contract on the Last Trading Day or on the Expiration Date.

Foreign Investment Dealer shall have same meaning as defined in the Securities (Authorization of Foreign Investment Dealers) Rules 2010.

FSA means the Financial Services Act 2007 of the Republic of Mauritius.

FSC means the Financial Services Commission of Mauritius.

Futures Contract shall have the same meaning as defined in the Relevant Acts.

Guidelines have the same meaning ascribed to the term "Guidelines" under the Relevant Acts.

Last Trading Day means the day on which trading ceases for a particular security and after which trading is not permitted in that security.

Long Position in a Security means the outstanding purchase obligations in respect of a Security at any point of time

Market Maker means a Member of the Exchange which has trading rights or any other entity acceptable to the Exchange which undertakes to continuously make bid and ask offers for a specified Security on the ATS in accordance with the terms of the market making norms of the Exchange.

Margin means a deposit or payment of Collateral(s) to establish or maintain a position in a Security and includes Initial Margin, Variation Margin, Special Margin, Delivery Margin or any other type of Margin as may be applicable and determined by Exchange and /or the Clearing House from time to time.

Member means any person who has been admitted to the membership of the Exchange in accordance with these Rules and who has not resigned or whose membership has not been terminated by the Exchange.

Negotiated Trade means a bilaterally negotiated large trade transacted pursuant to the minimum volume thresholds specified by the Exchange and duly reported in the specified manner to the Exchange.

Open Interest has the same meaning ascribed to the term “Open Interest” under the Clearing Rules.

Open Position means any Security which has not been liquidated by offsetting or Delivery or cash settlement or as specified in the Contract Specification.

Options Contract shall have the same meaning as defined in the Relevant Acts.

Order means an offer to buy or sell any Security through the ATS or any other trading system permitted by the Exchange by a Member either on its own behalf or on behalf of its clients.

Outstanding Obligation has the same meaning ascribed to the term “Outstanding Obligation” in the Clearing Rules.

Position Limit means any limit on Open Positions held or controlled by a person (whether directly or indirectly and whether individually by such person or by such person acting in concert with any person or persons) that the Exchange and/or Clearing House may from time to time impose in respect of any Security.

Proprietary Account means an account maintained in the name of a Member in which a Security pertaining to its own positions or allocated in accordance with the Exchange Rules to the Member are recorded and to which monies in respect of such Security are credited and debited, which is not a Client account.

Proprietary Position means Open Positions of Members held other than Client positions.

Relevant Acts shall have the same meaning as defined in the Financial Services Act, 2007.

Rules or these Rules or Exchange Rules mean the Business Rules of the Exchange in force from time to time.

Securities For the purposes of these Rules, Securities has the same meaning ascribed to the term “Securities” under the Relevant Acts and includes only those among them which are admitted to be traded on the Exchange.

Sell Order means an order to sell a Security.

Seller means a seller of any Security.

Settlement Day means the day fixed by the Clearing House for Members to settle their Securities transactions as specified by the Clearing House.

Short Position means the net outstanding sell obligations of a person whether a Member or its Client in respect of its transactions in a Security at any given point of time whose settlement is yet to be effected.

Strike Price or **Exercise Price** means the price at which the Underlying to an Options Contract can be purchased or sold or the price at which an Options Contract may be exercised.

Swap is a bilateral agreement to exchange cash flows at specified intervals (payment dates) during the agreed upon life of the transaction (maturity or tenor) and in which counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Trader Work Station or **TWS** means any electronic medium including mobile phones, Personal Digital Assistants (PDA) or computer terminal which is installed and connected to the ATS or any other trading system of the Exchange, for the purpose of trading on the Exchange. There are three types of TWS, namely, (i) a TWS provided by the Exchange, (ii) a TWS developed by the Member and approved by the Exchange or (iii) a TWS developed by an empanelled Independent software vendor and approved by the Exchange.

Unique Client Code or **“UCC”** means a unique number assigned by Members to identify their Clients.

Underlying refers to an asset on which the price of the Derivative is based.

An explanatory note on the definition of the term ‘Underlying’

- (a) Company Shares, Equity or Fund Securities traded on an Exchange;
- (b) Bonds or other debt securities that are traded on an Exchange;

- (c) Official interest rates or interest rates widely used in markets and that are marked by transparent methods of observation and dissemination;
- (d) Currencies whose exchange rate is recorded by the competent authorities or bodies;
- (e) Commodities for which there is a reference market characterized by the availability of updated information on the prices of the assets traded;
- (f) Indices or baskets of the assets referred above and baskets of indices of the same assets, provided such baskets and indices are characterized by transparent methods of calculation and dissemination;
- (g) Units or shares in Collective Investment Scheme;
- (h) Derivative Contracts based on assets referred to the above subparagraphs for which there is a liquid market characterized by the availability of updated information on the prices of the Securities.

1.2. Interpretation

1.2.1. Unless the contrary intention is provided for:

- (a) a reference to any gender includes the other.
- (b) words in these Rules in the singular include the plural and words in the plural include the singular.
- (c) a reference to a 'time' is reference to a time as in Mauritius.
- (d) where a reference is made in these Rules to a Rule, it is a reference to the Rule as amended from time to time.
- (e) where a reference is made in these Rules to a statutory provision, it refers to the laws of Mauritius.
- (f) where a reference to any legislation or law or to any

provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted and any reference to any enactment shall include any subordinate legislation made thereunder from time to time.

- 1.2.2. Headings are for convenience only and shall not affect the interpretation of these Rules.
- 1.2.3. Subject to these Rules, the decision of the Exchange shall be final in relation to the interpretation of these Rules against a Member or any of their clients or any third party.
- 1.2.4. In these Rules, reference to knowledge of a Member shall include reference to the knowledge of a director, shareholder, Controller, officer, employee or agent of that Member.
- 1.2.5. The words, terms defined above shall mean the same when used in lower case in these Rules, unless the context indicates otherwise.
- 1.2.6. Words and expressions used in these Rules but not defined herein shall have the same meaning assigned to them under the Relevant Acts or the Clearing Rules as the case may be.
- 1.2.7. These Rules shall be interpreted in a harmonious manner with a view to complying with the requirements of the Relevant Acts and to effectuate the purposes and businesses of the Exchange and to ensure that all practices in connection with the business on the Exchange are conducted in a fair, just, reasonable manner in order to maintain the integrity of the markets and protect the investors.
- 1.2.8. For the purposes of these Rules, the word, 'Relevant Acts' shall mean to include
 - (a) Securities Act, 2005 and the Rules and Regulations made thereunder;
 - (b) Financial Services Act, 2007 and the Rules and Regulations made thereunder;

CHAPTER 2: - GENERAL

2.1. Application of Rules

- 2.1.1. These Rules shall be known as "Business Rules of the Exchange. ".
- 2.1.2. These Rules shall apply to all Members and their Authorised Users and operate as a binding agreement between the Exchange and each Member and among Members of the Exchange and for the exclusive benefit of only such Parties.
- 2.1.3. Unless specifically exempted, these Rules shall apply to all or any of the segment or segments as may be specified by the Exchange from time to time.
- 2.1.4. Unless otherwise provided under these Rules, a third party has no rights under any applicable law to enforce any provisions of these Rules.

2.2. Additional powers

- 2.2.1. The powers of the Exchange under these Rules are in addition to the powers of the Board and the constitution and in law.

2.3. Powers to amend and waive Rules

- 2.3.1. Subject to the requirements set out under the Relevant Acts or as approved by the FSC, the Exchange may from time to time amend or waive all or any part of these Rules as may be deemed necessary or appropriate.
- 2.3.2. The Amendments to these Rules shall be binding on all Members.

2.4. Power to issue Notices and Circulars

- 2.4.1. The Exchange may from time to time issue Notices and/or Circulars to supplement these Rules and clarify the interpretation and application of the Rules for its Members. Any non-compliance or violation of the Notices and/or Circulars shall be deemed to be a contravention of these Rules.

2.5. Board's power to delegate

2.5.1. Board

- (a) The Board is responsible for the governance of the Exchange pursuant to these Rules.
- (b) The Board may delegate such of its powers, authorities and functions to such directors, officers, employees, persons and to such Committees as it may authorise from time to time.

2.5.2. Committees:

- (a) The Board may appoint such Committees as it deems fit to advise it on matters in relation to the operation of the Exchange. Such Committees may include, without any limitation, a Membership Committee, a Listing Committee, a Disciplinary Committee, an Appeals Committee, a Defaulter's Committee and a Trading Committee.
- (b) Unless otherwise specified under these Rules or terms of reference of a Committee, persons appointed to a Committee may be Members of the Exchange, directors, officers, employees of Members and of the Exchange or other persons whose experience and expertise is regarded by the Board as appropriate to the role of the Committee.
- (c) The Board may terminate a person's membership of a Committee at any time.
- (d) No member of a Committee shall use or disclose for any purpose other than for discharge of such person's duties with the Committee, confidential information received or obtained as a result of his participation or membership on such Committee.
- (e) Further, no person may trade for his own account or for others in any Security on the basis of any confidential information that such person knows, received or obtained in breach of clause (d) above.

2.5.3. Powers of Committees

- (a) Each Committee shall have such powers as may be delegated by the Board or delegated to it under these Rules.

2.6. Jurisdiction and governing law

2.6.1. These Rules shall be governed by and construed in accordance with the laws of Mauritius. Save as provided under these Rules the courts of Mauritius shall have the exclusive jurisdiction to determine any dispute in relation to or arising from these Rules.

2.6.2. The Exchange shall be entitled to bring an action in any other competent jurisdiction against a Member to enforce the obligations of a Member which arise under or in connection with these Rules, a judgment, an award or an order.

2.7. Records for evidence

2.7.1. The records of the Exchange as maintained by a central processing unit or a cluster of processing units or computer processing units or on the ATS or any other trading system of the Exchange, whether maintained in any register, magnetic storage units, electronic storage units, optical storage units or in any other manner or on any other accepted media shall constitute the agreed and authenticated record in relation to any transaction entered into or executed through the ATS or any other trading system of the Exchange.

2.8. Governing language

2.8.1. All Rules, Notices, writings, Circulars, instructions and documents issued by the Exchange in relation to the operation and functions of the Exchange shall be in the English language. For the convenience of Members, the Exchange may publish Notices and/or Circulars in any other language in addition to English. In case of any discrepancy between the different versions of any Notice and/or Circular, the English version shall prevail.

2.9. Limitation of liability

2.9.1. The Exchange shall have no liability, obligation or duty to any

Member, any of their clients or any third party, including but not limited to, as a result of:

- (a) any force majeure event which is beyond the reasonable control of the Exchange;
- (b) any losses or damages, including consequential losses and damages incurred or which may arise directly or indirectly with respect to the activities and functions of the Exchange;
- (c) any failure, omission or error on the part of the Exchange including any losses or damages with respect to trading on the Exchange or suspension, interruption, cancellation or closure of the Exchange or any inoperability or malfunction of the ATS or any equipment, software, computer system or any other product operated, supplied or used by the Exchange;
- (d) any decision of the Disciplinary Committee, Appeals Committee or Defaulter Committee exercising their powers or the Exchange accepting a Member's resignation or the Exchange's decision to suspend or terminate the membership of any Member or declare any Member to be a Defaulter Member;
- (e) the exercise or failure to exercise any discretion or rights under these Rules by the Exchange.

2.9.2. Without any prejudice to the foregoing, the Exchange does not make any warranty, express or implied and shall not have any liability to any person in connection with or as result of:

- (a) the accuracy, originality, completeness or timeliness of any information, data, documents or indices;
- (b) the merchantability and fitness for a particular purpose of or use of, any indices, documents or information or data or the ATS or any computer, trading used or operated by the Exchange;
- (c) any direct or indirect, special, punitive, consequential damages or loss of profits even when notified of the

possibility of such damages.

- (d) any failure by the Exchange or the Clearing House to provide any information to or communicate with each other.

2.9.3. The Exchange shall not have any liability in relation to the operation or use of any such systems, including but not limited to, whether for any breach of any law, any act or omission, injury, death, damage to physical property, any direct or indirect losses, loss of operation time or loss of equipment or process, loss of reputation, economic loss, incidental or consequential to the use or operation or installation of any such systems. All warranties and conditions including express and implied as to the description, condition, performance, quality, fitness for purpose, durability or otherwise of such systems or any components thereof are excluded except as required by law. Further, the Exchange does not warrant or forecast that such systems or any components thereof or any services performed in respect thereof will fulfil or meet the requirements of any user or that operation of such systems will be error-free or uninterrupted or that any services performed with respect to such systems will be error-free or be uninterrupted. Nothing in this Rule, including this Rule 2.9.3 shall, in any way, limit any liability of a developer of such systems or software to the Exchange.

2.9.4. In the event that an obligation of the Exchange must be performed by or prior to a particular time but if such obligation is not performed on or before that time due to unforeseen circumstances, the Exchange shall not be in violation of these Rules as against the Member, any of their clients or any third party provided that it performs the relevant obligation promptly after such particular time.

2.9.5. No power conferred on the Exchange under these Rules, including but not limited to, any power to close out, transfer or call Margin or Daily Settlement Amounts shall impose any duty on the Exchange to exercise such power or to exercise such power in a particular way and no person shall have any claim against the Exchange in relation to any decision made in good faith to exercise or refrain from exercising such powers.

2.10. Immunity and Protection for acts done in good faith

2.10.1. No claim, suit, prosecution or any other legal proceedings shall lie against the Exchange or any of its directors, officers, employees or any other duly authorised persons acting for and on behalf of the Exchange, in respect of anything which is done or intended to be done or omitted in good faith in exercise of any power under these Rules, Circulars and/or Notices or in pursuance of any order or any other kind of communication received by the Exchange in writing from any court, tribunal, Government, FSC, or any other competent regulatory or revenue authority empowered under any law or delegated legislation for the time being in that behalf.

2.11. Indemnity

2.11.1. Every Member shall indemnify and keep indemnified the Exchange against all losses, costs, expenses, damages, injuries and liabilities whatsoever incurred by the Exchange where such losses, costs, expenses, damages, injuries and liabilities arose out of or in connection with any violation by the Member (including its present and past directors, officers, employees, agents, clients) of its obligations under these Rules or violation of any applicable law or any unlawful, wilful, reckless or negligent act or omission of the Member (including its present and past directors, officers, employees, agents and Clients).

2.11.2. Each Member shall indemnify and hold the Exchange harmless for the full amount of any judgment, award or settlement paid by the Exchange in respect of any legal or administrative proceeding brought against the Exchange as a result of an alleged violation of any applicable law or these Rules by such Member or as a result of an alleged failure of the Exchange to detect, prevent or otherwise act against such alleged violation.

2.12. Scope of liability

2.12.1. Each exemption from liability, defence or immunity to the Exchange or to which the Exchange is entitled under these Rules including the clause of indemnity under Rule 2.11 shall also be available and shall extend to protect directors, officers, employees or agents of the Exchange.

2.13. Confidentiality

2.13.1. Confidential information that is received and obtained under these Rules shall not be disclosed by the Exchange or by any of its directors, officers, employees or agents or by a person coming into possession of the information. The Exchange shall take all necessary steps to preserve and protect the confidential information. The Exchange shall however be entitled to disclose confidential information in all or any of the following circumstances:

- (a) for the purpose of compliance with any applicable law, rule or regulation;
- (b) for the purpose of the Exchange to institute, carry on or defend any proceedings including any court proceedings; or
- (c) in relation to the enforcement of that Member's obligations under these Rules.

2.14. Voice recording

2.14.1. The Exchange may record telephone conversations. The records will be the sole property of the Exchange and may be adduced as evidence in any court, regulatory, disciplinary or other proceedings as evidence of the matters discussed.

2.15. Data Protection

2.15.1. Subject to Data Protection Act (Act 13 of 2004) of the Republic of Mauritius, the Exchange may collect and retain personal information on Members' employees, officers and directors and other persons. The Exchange may process personal data in connection with its activities and if necessary transmit or transfer such data to statutory bodies or regulators in countries or territories outside Mauritius.

2.16. Severability

2.16.1. If any provision of these Rules is rendered unlawful, void or unenforceable by reason of any statutory amendment, re-enactment, notification or any judicial decision or pronouncement by any competent court, tribunal, regulatory authority or FSC, such provision shall to the extent required, be

severed and rendered ineffective without in any way affecting the validity or enforceability of the rest of the provisions of these Rules which shall continue to apply with full force and effect, provided further that the action already taken earlier under such provision shall remain unaffected.

2.17. Force Majeure

- 2.17.1. The Exchange shall not be liable for any harm, loss, damage or injury caused by it to any person if such harm, loss, damage or injury is caused by conditions beyond its control. Such events or causes include war, riots, acts of God, civil disturbances, terrorism, acts of a civil or military authority, embargoes, fires, labour disputes, floods, explosions, accidents, cyclones, tsunami, any other natural calamities, mechanical breakdowns, computer or system failures or other failures of equipment, any failure or interruption of any network, telecommunication equipment or online system, any failure or interruption of power supply, any utility or service provider, any failure of or defect in computer or software systems, change of law, interruption or suspension or insolvency or bankruptcy of any bank, financial institution, depository or custodian, market emergency, closure of any market, including any market segments or sub-segments operated by the Exchange.
- 2.17.2. Notwithstanding anything contained in Rule 2.17.1 above, any failure on the part of the Exchange which is caused by conditions beyond its control shall not in any way reduce, alter, limit or affect the liability of a Member in respect of any transaction entered into or executed through the systems of the Exchange by such Member.
- 2.17.3. Notwithstanding the above, the Exchange shall be entitled to require any Member to take such actions, including but not limited to close out all or any of the Security transactions as the Exchange may direct in respect of the Security transactions affected by the force majeure event.

2.18. No waiver

- 2.18.1. No failure to exercise and no delay in exercising any right,

power or remedy under any Rule operates as a waiver. Nor does any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.

2.19. Market Segments

- 2.19.1. The Exchange shall have the power to establish more than one market segment(s) or market sub-segment(s) as may be specified by the Exchange from time to time.
- 2.19.2. The Securities which may be admitted to the different market segment(s) or market sub-segment (s) will be specified by the Exchange from time to time.

CHAPTER - 3:- MEMBERSHIP RULES

3.1. General

- 3.1.1. A body corporate which wishes to become a Member of the Exchange may apply for any category of membership under these Rules, subject to its fulfilment of the membership criteria, payment of all the required fees, contributions, charges, deposits or other monies.
- 3.1.2. Subject to these Rules, membership of the Exchange shall entitle a Member to exercise such rights and privileges attached to such category of membership as it is admitted to.
- 3.1.3. Every Member shall comply with and be bound by these Rules and shall, subject to these Rules and applicable laws, accept as final any decision made by the Exchange.
- 3.1.4. Membership status and rights are not transferable without the prior written approval of the Exchange.
- 3.1.5. All Members shall have to seek and obtain the relevant licence or authorisation from the FSC prior to commencing operations on the Exchange.
- 3.1.6. All Members shall satisfy that it has in place policies, procedures, systems and controls (including those for the prevention of money laundering and the prevention of terrorist financing) to ensure that it will comply on a continuous basis and in respect of each category of Membership for which admission is sought, with all requirements imposed by or pursuant to these Rules, including without limitation those set out in the money laundering Notices or directions that may be issued by the Exchange, FSC, any other recognised monitoring agency or international regulatory body from time to time.

3.2. Categories of membership

- 3.2.1. Membership of the Exchange may be granted separately for each of the following segments of the market or for additional segments of the market created by the Exchange from time to time;

- (a) Derivatives segment
- (b) Cash market segment

3.2.2. Membership of the Exchange shall comprise of such categories of membership as provided under these Rules and such other categories or sub-categories of membership created by the Exchange pursuant to these Rules. The categories of membership are:

a) **Trading Member also known as Broker Member**

A Member of the Exchange but not a member of the Clearing House and who is entitled to trade for itself and/or for its Clients and has an arrangement with a Clearing Member to clear and settle such trades.

All such Trading Members must be affiliated to any one of the Integrated Trading-cum-Clearing Members (ITCM) or Professional Clearing Members (PCM) of the Clearing House, having clearing rights on the Clearing House.

b) **Trading-cum-Clearing Member also known as Self Member:**

A Member of the Clearing House as well as that of the Exchange that can trade and clear & settle for itself and for its Clients.

c) **Integrated Trading-cum-Clearing Member also known as General Member:**

A Member of the Clearing House as well as that of the Exchange that can trade and clear & settle for itself and for its Clients and also clear & settle for other Exchange Members that are not Members of the Clearing House and for their Clients.

Integrated Trading-cum-Clearing Members may choose to affiliate themselves with other Members (other than Trading-cum-Clearing Members) for clearing and settling their trades, if they so desire.

3.3. General and prudential requirements

3.3.1. An Applicant Member shall be eligible for membership if such Applicant Member:

- (a) is a body corporate which has good commercial standing,
- (b) be licenced / authorised / recognized by the FSC to carry out the activities which it intends to carry out on the Exchange and must furnish proof to the Exchange of such licence / authorisation / recognition,
- (c) and its directors, those concerned in its management and those who have control or substantial control of the Applicant are of good character and of high business integrity and financial probity,
- (d) has or will have managerial, operational, financial and appropriate business continuity arrangements in place to enable it to meet its obligations as a Member,
- (e) has a minimum Paid- up capital, financial and prudential requirements, net worth and other financial requirements as the Exchange and/or the FSC may determine from time to time by Circulars,
- (f) and/or its directors have not been adjudged bankrupt or has not been subject to a receiving order in bankruptcy,
- (g) and/or its directors have not been convicted of an offence involving any crime or financial impropriety,
- (h) is not or has not been suspended by or expelled from any exchange, clearing house, self-regulatory organisation or other business or professional association for violating any rule of such organisation,
- (i) agrees to be bound by these Rules and amendments thereto, in a manner specified by the Exchange and ensures that its Controllers, directors, officers and employees comply with these Rules and amendments thereto,

- (j) ensures that its constitutive documents comply and are not inconsistent with the Relevant Acts, Guidelines, these Rules and all applicable laws and agrees to make all amendments to the same for compliance or consistency with the foregoing, as required
- (k) in the case of Members not incorporated in Mauritius, their constitutive documents, shall comply with the Laws of their country of incorporation.
- (l) is fit and proper to be a Member,
- (m) signs and submits a membership application form to the Exchange, and
- (n) is entitled to or agrees to appoint a Clearing Member for clearing and settlement of transactions executed on the Exchange and is capable of meeting all obligations and functions that are required of a Member.

3.4. Admission process

- 3.4.1. Any body corporate which intends to be a Member shall apply to the Exchange in the specified form as provided by the Exchange, together with such documents and information as the Exchange shall deem necessary or appropriate, or may require.
- 3.4.2. Each membership application shall be accompanied by a payment of an application processing fee and such other fees as specified by the Exchange. The application processing fee and the admission fee are non-refundable and the Applicant shall give an undertaking in the specified form to be bound by these Rules and any amendments thereto, once admitted.
- 3.4.3. A decision for admitting or rejecting any application for membership of the Exchange shall be entirely at the discretion of the Exchange and shall be final and conclusive. The decision of the Exchange shall not be appealable.
- 3.4.4. The Exchange may interview and/or test the Applicant before admitting it as a Member. Further, the Exchange may examine and demand copies of the books, records or documents of the Applicant Member to ascertain those facts that may affect the application.

- 3.4.5. An Applicant Member may be refused admission if the Exchange determines, it not to be in the public interest for the Applicant to be admitted.
- 3.4.6. In case of rejection of the application, the Exchange will notify the Applicant Member in writing of its decision. The Exchange is not obliged to provide any reasons for its decision.
- 3.4.7. An Applicant Member who has been accepted as a Member shall not be entitled to exercise any of the rights or privileges of membership unless it:
- (a) has paid in full the non-refundable admission fees, annual fees and any other charges, deposits or fees as may be specified by the Exchange ,
 - (b) meets the applicable minimum capital and financial requirements specified in these Rules and /or Circulars , and
 - (c) has obtained, or is exempted under the Relevant Acts from holding licence/ authorization/ recognition.
- 3.4.8. A Member shall also pay the annual fee for the year of admission for the specific category of membership to which it has sought the admission and all annual subsequent subscriptions shall be payable each year.
- 3.4.9. Where an Applicant Member fails to complete the membership process and/or fails to meet all the specifications as required by the Exchange for admission as a Member or opts to withdraw from the membership admission process, the membership processing fee and admission fee already paid by the Applicant to the Exchange shall stand forfeited.
- 3.4.10. An Applicant Member who has been granted admission on the Exchange shall be eligible to clear and settle trades upon the FSC granting such Applicant Member such licence/ authorisation / recognition in terms of the Relevant Acts.

3.5. Clearing Arrangements

- 3.5.1. All trades executed on the Exchange shall be exclusively cleared by the Clearing House through a Clearing Member pursuant to the Clearing Rules.
- 3.5.2. A Member who has not been admitted as a Clearing Member shall establish and maintain a clearing arrangement with a Clearing Member.
- 3.5.3. If the Exchange is notified that the clearing arrangement of a Member is suspended or revoked, such Member shall be denied trading access to the ATS or other system operated by the Exchange until its clearing arrangement is reinstated with a Clearing Member.

3.6. Margin

- 3.6.1. Every Member shall be governed by the Clearing Rules with regard to Margins payable for any transactions in Securities traded on the Exchange.

3.7. Admission under misrepresentation

- 3.7.1. The Exchange may suspend or terminate or take any other disciplinary action against a Member if in its opinion the Member has made any materially false statement or failed to state a material fact in or in connection with any application filed with the Exchange and all fees as well as charges paid to the Exchange shall stand forfeited.

3.8. Compliance with the Relevant Acts and applicable laws

- 3.8.1. All Members, their directors, officers, employees and agents shall at all times comply with all applicable provisions of the laws of Mauritius or the applicable laws of their country of incorporation, Relevant Acts, Guidelines, these Rules, Circulars and including but not limited to prudential conduct of business that affect the business of the Member with the Exchange, the Clearing House and Clients.

3.9. Fees, deposits and other payments

- 3.9.1. The Exchange may from time to time impose:
 - (a) fees or charges, including but not limited to, application

processing fee, admission fee, clearing fees, annual fees, charges or other fees.

- (b) deposits including but not limited to initial Margin, contributions or other levies.

3.9.2. The Exchange may publish Circular(s) to determine, among other things, terms and conditions, mode of payment or procedures in relation to deposits, contributions or similar payments and fees.

3.9.3. If any Member fails or neglects to pay any deposit, fee or charge as required by the Exchange by the specified date, the Exchange may initiate measures against the Members, including but not limited to, bringing a disciplinary action against such Member, suspending or terminating such Member's membership with the Exchange and/or declaring the Member as a Defaulter within the meaning of these Rules.

3.10. Members' ongoing obligations

3.10.1. The ongoing obligations of Members are, including but without any limitation, as follows:

- (a) comply with these Rules and Circulars,
- (b) comply with prudential, conduct of business procedural, technical and operational requirements of the Exchange,
- (c) pay such fees, Margins, initial Margin, contributions and charges in such amounts and on or before such dates as determined by the Exchange,
- (d) maintain acceptable systems and procedures for the execution, recording, reporting, clearing and settlements of transactions,
- (e) ensure that its Controllers, directors, officers, employees and agents comply with these Rules and meet the fit and proper criteria at all times,
- (f) maintain adequate staff with adequate knowledge, expertise, training to comply with these Rules,

- (g) comply at all times with all the minimum capital, financial, prudential and conduct of business requirements specified by the Exchange under the Relevant Acts , Guidelines, these Rules, and/or Circulars,
- (h) file periodic financial or non-financial returns, annual report and other required documents as specified by the Exchange,
- (i) comply with notification obligation under Rule 3.11,
- (j) comply with all applicable laws, including but not limited to, anti-money laundering, terrorist financing, market misconduct, market manipulation and market abuse,
- (k) observe and maintain high ethical standards, integrity, fairness and act honestly and with due care,
- (l) comply with all Clients money segregation and conduct of business provisions in the Relevant Acts, Guidelines, these Rules, Circulars and in particular not accept any person as Client without carrying out the client due diligence and the Client duly signing a client agreement, with the Member,
- (m) not to provide the Exchange with any document or information which is false, misleading or inaccurate,
- (n) not to disseminate any false, misleading or inaccurate information about the Exchange, Clearing House or any transactions on the Exchange,
- (o) comply with operational, procedural and technical requirements of the Exchange systems and networks as specified by the Exchange from time to time,
- (p) comply with such standards of infrastructure as may be specified by the Exchange from time to time,
- (q) refrain from any act or cause of conduct which is likely to harm the reputation of the Exchange,

- (r) comply with every provision of its membership agreement and every other undertaking and agreement between the Member and the Exchange.
- (s) carry out software and hardware upgrades as notified by the Clearing House and/or the Exchange from time to time.
- (t) participate in mock trading and/or clearing sessions conducted by the Clearing House and/or the Exchange to test any software upgrades or any new product(s) to be listed and/or cleared on the Exchange and/or the Clearing House.
- (u) co-operate with the Clearing House where applicable, including without limitation, providing all such information (relating to the Member's Clients, transactions, or otherwise) and within such time as required by the Clearing House.

3.11. Notification of obligation to Exchange

3.11.1. A Member must immediately notify, or where practicable, pre-notify, the Exchange in writing on occurrence of all or any of the following events:

- (a) any violation and/or potential violation of the Relevant Acts and Guidelines.
- (b) any violation and/or potential violation of these Rules and Circulars.
- (c) any Event of Default and/or potential Event of Default,
- (d) any change of information, document, facts or circumstances provided to Exchange during the membership application process and which may materially affect the performance of its membership obligations under these Rules,
- (e) any investigation, enforcement action, sanction or injunction against the Member or any of its directors, officer, employee by any self-regulatory organisation,

exchange, regulator or law enforcement agency,

- (f) any facts or circumstances which may affect the legal structure and organisation of the Member and its activities including but not limited to merger, any change in control of the Member,
- (g) any change in the shareholding pattern,
- (h) any change of name, address or similar event,
- (i) any change in directors or Controllers or death, dissolution or bankruptcy of any of the foregoing persons or any change in the composition of its board of directors,
- (j) any change in its constitutive documents, articles or memorandum of association;
- (k) any similar event that would affect the business of the Member and its affairs with the Exchange,
- (l) any failure to meet the minimum capital and financial requirements, under the membership criteria and
- (m) any appointment and/or changes of any Authorised User.
- (n) any failure by any other Member to discharge its liabilities in full and
- (o) any event of terminating, cancelling or suspending a clearing arrangement entered into by a Member.

3.11.2. Upon such notification, the Exchange may request additional documents or information and take such actions as it deems necessary.

3.12. Records, annual accounts and audit

3.12.1. Every Member shall

- (a) comply with the Relevant Acts, Guidelines, or in accordance with any applicable laws of the country of

incorporation and any other statutory body in relation to maintenance of accounts, records and audits.

- (b) comply with these Rules and Circulars issued regarding the record keeping, accounts and audit requirements,
- (c) maintain financial statements, data, forms, books, records, client complaints, reports and filings in relation to its business with the Exchange, audit trails of all transactions whether in respect of Proprietary Account or Client Account from the time of receipt of instructions to clear and settle until the clearing and settlement of the transactions for a period of 7 (seven) years.
- (d) make available at any time such records, books, accounts or audits to the Exchange for its inspection.

3.13. Conduct of Members

3.13.1. No Member shall engage in any action or activity that causes or contributes to:

- (a) a violation of the Relevant Acts, any applicable law or any Rule, or Notice by any other person,
- (b) the occurrence of an Event of Default,
- (c) any misconduct in its dealing with or in relation to the Exchange or any Member,
- (d) any disreputable or fraudulent transactions with any person (whether or not a Member) including but not limited to, that relating to financial crime, terrorist financing, money laundering or market misconduct,
- (e) deal on behalf of a Client other than in accordance with instructions accepted by the Member from that Client,
- (f) cheat, defraud, or deceive or attempt to cheat, defraud, or deceive any person in any manner,
- (g) provide information to the Exchange which the Member knows (or ought reasonably to know) to be false or misleading. Without prejudice to the rights of the

Exchange, where a Member finds that information that it has previously provided to the Exchange is false or misleading, the Member shall promptly submit the corrected information to the Exchange,

- (h) engage in any conduct which is likely to undermine the integrity and interests of the Exchange or any Member.
- (i) engage in any action or conduct which would result in or contribute to market manipulation and enter into any other types of trading to distort the operation of a fair, orderly and transparent market,
- (j) make or cause to be made, a false or misleading entry, in hardcopy or electronic form, in any books, records, reports, slips, documents, or statements relating to its business, affairs, transactions, conditions, assets or accounts (the "Documents"), or omit from making, for whatever reason, a material entry in any of the Documents, or alter or destroy any of the Documents without a valid reason,
- (k) effect any trade or settlement of any trade or accept any client's monies or assets after the Member's insolvency or inability to pay debts,
- (l) knowingly take advantage of any situation arising from any breakdown or malfunction in any system maintained / operated by the Exchange, or of any errors made by the Exchange,
- (m) wilfully or intentionally breach any of its contractual obligations or frivolously repudiate any agreement made in connection with its dealings on the Exchange,
- (n) disclose any client's Open Position, trades or instructions to any other clients or Members, or
- (o) mishandle any client's monies or assets.

3.13.2. No Member shall buy, sell or deal in Securities in a fraudulent manner or indulge in any unfair trade practices including but not limited to market manipulation, financial crime, money-

laundering or terrorist financing.

3.13.3. No Member shall engage in conduct which is likely to impair the operation of Exchange systems. Such conduct shall include, but are not limited to, submitting unwarranted or excessive electronic messages or requests to Exchange systems provided that the use of an electronic trading engine shall not of itself be considered to give rise to excessive electronic messages.

3.13.4. Without prejudice to generality of the provisions contained in the above Rules, no person shall indulge in market manipulation, namely:

- (a) effect, take part in or enter into either directly or indirectly in Securities transactions which are likely to have the effect of artificially raising or depressing or stabilising the price of the Securities,
- (b) engage in any act which is calculated to create a false or misleading appearance of trading on the Exchange markets or, results in reflection of prices of Securities based on transactions, which are not genuine trade or
- (c) purchase or sell any Securities as a device to maintain, inflate, depress or cause fluctuations in the market price of Securities or
- (d) pay, offer or agree to pay or offer, directly or indirectly, to any person to purchase or sell any Securities with the sole object to maintain, inflate, depress or cause fluctuations in the market price of Securities.

3.13.5. No Member shall:

- (a) engage in any act and/or practice in course of its business which would operate as a fraud or deceit upon any person in connection with the purchase or sale of any Securities;
- (b) buy, sell or deal in Securities on its own behalf or on behalf of a person associated with it pending the execution of the Order of its client or of its company or director for the same Securities; or,

- (c) delay the transfer of Securities in the name of the transferee, which results in the price of the Securities increasing;
- (d) engage in any act to falsify its books, accounts and records for the purpose of market manipulation;
- (e) when acting as an agent, execute a transaction with a client at a price other than the price at which it was executed on the Exchange or other than the price it was off-set against the transaction of another client; or
- (f) either take opposite position to an order of a client or shall execute opposite orders which it is holding in respect of two clients except in the manner specified by the Exchange;
- (g) accept anything less than a full and bona fide money payment in settlement of a debt arising out of a transaction in a Security.

3.13.6. No Person shall:

- (a) by making any statement, promise or forecast that it knows or ought reasonably to have known to be false, misleading or deceptive, or by recklessly making such statement, promise or forecast that is false, misleading or deceptive, by any dishonest concealment of material facts, by recording or storing information that it knows to be false or misleading in a material particular, induce or attempt to induce another person to trade in any Security; or
- (b) directly or indirectly, in connection with any trading in any Security in any way defraud or engage in any act, practice or course of business which operates or is likely to operate as a fraud or deception upon any person, make any false statement or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, are not misleading.

3.13.7. This prohibition includes, but is not limited to circulation or aiding in the circulation, in any manner, of rumours which cast

doubts on the integrity of any Securities. A Member shall ensure that its officers, employees, agents and contractors observe this prohibition.

- 3.13.8. A Member shall immediately inform the Exchange if, in its reasonable belief, any act is committed or attempted to be committed, which act is prohibited under these Rules. The Exchange may, upon receiving any such information, take any action (including, but not limited to, requiring a Member to stop processing any instructions received from Clients) as it deems fit.

3.14. Co-operate with the Exchange

- 3.14.1. In dealing with the Exchange or other Members, Members shall act in a cooperative manner (including but not limited to procuring for the Exchange or any person appointed by the Exchange, access to any record, premises, or person in connection with any inspection, investigation or audit), be truthful and honest and not mislead or conceal any matter. A Member shall also procure such co-operation by each of its Clients, representatives, employees, officers, agents and contractors.
- 3.14.2. A Member shall comply with any directive, Notice or request by the Exchange requiring the Member and/or any of its Clients, representatives, employees, Officers, agents or contractors to attend before any committee or to produce any books, documents, correspondence or other information in its possession or control, and shall procure such compliance by each of its Clients, representatives, employees, officers, agents and contractors.
- 3.14.3. No Member shall engage or attempt to engage in any conduct, act or omission that has been knowingly carried out to subvert the objects and purposes of the Exchange or these Rules, or which defeats the agreements entered into by the Exchange with other organisations, agencies or entities for promoting the interests and activities of the Exchange.

3.15. Clearing and Settling on behalf of Clients

- 3.15.1. A Member on behalf of Clients shall ensure compliance with the

following:

- (a) Before commencing trading on behalf of the Clients on the Exchange, a Member shall:
 - (i) enter into an agreement with that Client, in a form that complies with the minimum requirements specified by the Exchange,
 - (ii) provide to that Client a risk disclosure statement, in a form that complies with the minimum requirements specified by the Exchange and the Relevant Acts, and also receive from the Client an acknowledgement, in writing, that the Client has read and understood the risk disclosure statement,
 - (iii) comply with all the Clients due diligence principles (including but not limited to Client's identity and source of monies) in the Relevant Acts or as specified by the Exchange, and
 - (iv) notify the Clients (by way of inclusion in the Clients agreement in (a) above, or in such other manner as approved by the Exchange) of all limitations of liability and immunities available to the Exchange in these Rules or otherwise.
- (b) A Member shall provide such further documents and information as the Exchange may specify from time to time so as to ensure ongoing compliance by the Member with the Relevant Acts, these Rules, Circulars and any applicable laws.
- (c) A Member shall keep records of the information or documents obtained under these Rules for a period of not less than 7 years.
- (d) A Member shall act on behalf of Clients only pursuant to the instructions of that Clients or a person duly authorised in writing by that Clients.
- (e) A Member shall not disclose another person's order or instructions except:

- (i) to the extent necessary to enter the instructions into any system of the Exchange,
- (ii) to an employee of the Exchange as being authorised to receive such information,
- (iii) to an employee of the Clearing House as being authorised to receive such information, or
- (iv) to the FSC or any enforcement agencies or any other regulator in Mauritius which supervises the activities of that Member.

3.15.2. A Member shall provide each of its Clients with all such information, guidance and training and in such manner as may be specified by the Exchange from time to time.

3.15.3. A Member shall produce, as and when demanded by the Exchange, copies of any Clients statement of account or any other relevant documents for the Exchange's inspection. The Exchange shall be entitled to make copies of all the documents.

3.16. Clients Money

3.16.1. Every Member shall segregate monies and assets of its Clients from monies and assets of the Member and any of its Clients.

3.16.2. Every Member shall deposit Clients' monies and assets in trust or custody accounts specially maintained for the purpose.

3.16.3. Every Member shall separately account for the monies and assets of every Client(s).

3.16.4. Every Member shall comply with all computation of monies and assets held in the trust and custody accounts and segregation requirements under the Relevant Acts and these Rules.

3.16.5. No Member shall use Client's Collaterals to meet any liabilities which relate to trading by that Member for its Proprietary Positions.

3.16.6. Client's Collaterals must be paid into a trust account or in any

other account directed by the Clients, immediately upon receipt of such monies by the Member and in any event within such time as specified by the Exchange.

- 3.16.7. Client's Collaterals shall be used by the Member only for instances relating to the dealings of that Clients on the Exchange.

3.17. Omnibus Account

- 3.17.1. A Member may open and operate an Omnibus Account on behalf of its Clients, subject to such requirements as the Exchange may specify from time to time.
- 3.17.2. A Member carrying Omnibus Accounts must maintain with the Exchange a complete list of all such accounts, and shall notify the Exchange in writing immediately and in any event no later than the next Business Day from the time such an account is either opened or closed. Information for each Omnibus Account must include the account holder's name, account number and the account holder's address, and such other information as the Exchange may require.
- 3.17.3. The Exchange may place limitations on a Member carrying Omnibus Account depending on:
- (a) the number of Omnibus Accounts carried and volume of business of the Member; and
 - (b) the financial condition of the Member in light of requirements or standards determined by the Exchange.
- 3.17.4. A Member that carries Omnibus Accounts shall ensure that the Omnibus Accounts are operated at all times in accordance with these Rules and shall, without prejudice to any other liability it may incur, indemnify the Exchange in relation to any claim referable to such violation.
- 3.17.5. A Member carrying an Omnibus Account shall, upon request by the Exchange and/or Clearing House, provide the Exchange and/or Clearing House with such information on any or all Sub Account(s) of the Omnibus Account or any other relevant information as the Exchange and/or Clearing House may require.

3.18. Member's ongoing contact

3.18.1. Every Member shall appoint two persons as the ongoing contacts to act at all times as the Member's principal channel of communication with the Exchange. These persons may be directors or from senior management of the Member and at least one of them must always be available to be contacted by the Exchange immediately, prior to and during the business and trading hours of the Exchange.

3.19. Compliance Officer

3.19.1. Every Member shall appoint a Compliance Officer.

3.19.2. The Compliance Officer shall be a senior management staff of the Member and report to the board of directors of the Member.

3.19.3. The name and details of the Compliance Officer so appointed should be intimated to the Exchange.

3.19.4. The Compliance Officer would ensure that the Relevant Acts, Guidelines, these Rules, Circulars and/or directives of the other regulatory bodies are complied with internally as may be applicable to the Member. Any discrepancies and/or deviations shall be reported independently by the Compliance Officer to the board of the Member and to the Exchange immediately.

3.19.5. The Compliance Officer shall ensure that observations made and/or deficiencies pointed out by FSC and/or the Exchange during any inspection or investigation shall be addressed immediately. Remedial and control process initiated should be informed to FSC and the Exchange along with the statement on how such deviations shall not be repeated.

3.19.6. Where the Exchange is of the opinion that the Compliance Officer is not carrying out his functions effectively as per the requirements under the Relevant Acts, Guidelines, these Rules, and Circulars as may be applicable to the Member, the Exchange can compel the Member to replace such Compliance Officer.

3.20. Transfer of Membership

3.20.1. Subject to these Rules, a Member (the "Transferor"), is entitled

to transfer its membership, to a person who meets the criteria for and is acceptable to the Exchange and /or Clearing House for admission as a Member (the “Transferee”). The Member shall notify the Exchange and /or Clearing House of its intention to transfer its membership. The Exchange and /or the Clearing House may impose such conditions or restrictions as the Exchange and /or the Clearing House deems fit on the Transferor for the proposed transfer.

3.20.2. The Exchange and /or the Clearing House may restrict the transfer of membership for any such initial period as the Exchange and /or the Clearing House may decide (such period hereafter referred to as “Non-transfer Period”).

3.20.3. The Non-transfer Period shall be one year (or such other period that the Exchange and /or the Clearing House may designate by way of Notice) from:

- (a) approval of the membership by the Exchange and /or the Clearing House
 - (b) the date of obtaining Licence / authorization, where applicable, or
 - (c) when a Member starts its trading operations,
- whichever is later.

3.20.4. No transfer of membership shall be effective unless:

- (a) any Non-transfer Period shall have expired,
- (b) the Transferor shall first have paid the Exchange and /or the Clearing House all monies owed by it to the Exchange and /or the Clearing House,
- (c) where the Transferor shall first have closed out all Open Positions held on behalf of Clients in accordance with instructions from those Clients or transferred all such Open Positions to another suitable Member, such transfer not to occur without the consent of those Clients,
- (d) where all Clients’ Collaterals are paid back to the Clients,

- (e) the Transferor has complied with such conditions or restrictions imposed by the Exchange,
- (f) the Transferee has paid to the Exchange and /or the Clearing House such application fee, and transfer fee and any other charges as may be specified by the Exchange and /or the Clearing House from time to time, and
- (g) the Transferee has submitted an undertaking that any potential liabilities arising on account of Transferor at a later date shall be met by Transferee.

3.20.5. The Exchange and /or the Clearing House may, refuse to give its approval of the proposed transfer under this Rule if it deems fit. The Exchange and /or the Clearing House are not obliged to give any reason(s) for such refusal. Any decision made by the Exchange/ Clearing House is final and binding on all parties and shall be notified to FSC.

3.21. Resignation, Suspension and Termination of Membership

3.21.1. Resignation

- (a) A Member may seek to resign from membership of the Exchange after an initial lock in period of one year from the date of approval of the membership by the Exchange, or from the date of obtaining Licence/Authorization, or from the date when a Member starts its operations, whichever is later, by providing a written notice of resignation to the Exchange, the resignation notice shall be effective 3 (three) months after the receipt of such notice unless the Exchange and the Member agree on a different date.
- (b) The resignation of a Member is subject to the prior written approval of the Exchange.
- (c) Notwithstanding anything to the contrary under these Rules, the Exchange may, vary the notice period of the intention of any Member to resign if it considers it necessary for any reasons whatsoever including but not

limited to protecting the financial integrity, reputation or interests of the Clearing House or the Exchange, or the interest of the Clients, or to promote a fair, orderly and transparent market.

- (d) Further, the Exchange may take any other measures against or impose such conditions or restrictions on the Member it deems fit and necessary whether before or after the resignation takes effect.
- (e) No resignation of membership shall be effective unless :
 - (i) the expiry of any notice period specified or agreed by the Exchange,
 - (ii) the payment of all monies owed by the Member to the Clearing House or the Exchange, as the case may be,
 - (iii) the Closing out of all Open positions or transfer all such Open Positions to another suitable Member, in accordance with these Rules,
 - (iv) the payment of all Clients' Collaterals back to the Clients, and
 - (v) the Member has complied with such measures, terms or conditions as imposed by the Exchange.

3.21.2. Suspension

- (a) Without prejudice to the rights of the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be) under these Rules, a Member's privileges may be suspended either in whole or in part if any of the following circumstances occurs with respect to the Member;
 - (i) an Event of Breach, whether or not it is a Declared Default,
 - (ii) any violation or alleged violation of the Relevant Acts, Guidelines or these Rules, or any applicable

law by the Member by any of its directors, employees, agents or Clients where such violation or alleged violation could have a material adverse effect on the Exchange,

- (iii) failure to meet any minimum paid-up capital and financial requirements under the Relevant Acts, Guidelines, these Rules, or Circulars on an ongoing basis,
 - (iv) failure to maintain initial Margin, meet settlement obligations or make payments for charges, fees, deposits, dues, contributions or any other amount due to the Exchange within the specified time,
 - (v) non-resolution of any Client's complaint by the date specified by the Exchange,
 - (vi) cessation, suspension or termination of its membership (if any) with the Exchange or with any other exchange or other clearing facility or its licence,
 - (vii) non-satisfaction of any judgment or court order of any court in or outside Mauritius,
 - (viii) the Member or any of its directors or employees is convicted of any crime involving financial impropriety,
 - (ix) any disciplinary proceedings under these Rules are pending with respect to the Member, or if, in the Exchange's opinion, it is necessary or desirable, to protect the financial integrity, reputation or interest of the Clearing House or the Exchange, or to promote a fair, orderly and transparent market.
- (b) Suspension as described above may be imposed by the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be), may be immediate, and for a fixed term, with or without notice, either in whole or in part, upon the occurrence of any of the events

described above.

- (c) Subject to Rule 3.21.2(a), the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be) shall, at its discretion, take any action or measure, or impose any terms or conditions, in relation to the suspension.
- (d) Suspension may be revoked at the end of the period of suspension, after the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be) is satisfied that the violation which was the reason for the suspension has been remedied. Where the violation has not been remedied, the suspension may be further extended or the membership terminated, as may be decided by the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be) in its discretion.

3.21.3. Termination

- (a) Notwithstanding anything in Rule 3.21.2, and without prejudice to the rights of the Exchange, the Disciplinary Committee or the Appeals Committee, the membership of a Member may be terminated with or without notice if any of the following circumstances occurs in relation to the Member:
 - (i) any of the events described in Rule 3.21.2(a)(i) to (ix) above,
 - (ii) the Member is bankrupt or insolvent, or is unable to pay its debts as and when they fall due, or any application or order has been made for its dissolution, winding-up, bankruptcy, insolvency, management or administration, or the occurrence of any similar event in any jurisdiction,
 - (iii) any assignment or composition is made by the Member for the benefit of its creditors,
 - (iv) the revocation or cessation of the Licence held by the Member, or the issuance of prohibition order

against the Member holding the Licence,

- (v) the Member is suspended, and the Exchange, the Disciplinary Committee or the Appeals Committee (as the case may be), in its discretion, determines that the Member has not remedied to the satisfaction of the Exchange, the Disciplinary Committee or the Appeals Committee (as the case may be) the matters giving rise to the suspension, within such period as specified by the Exchange, the Disciplinary Committee or the Appeals Committee (as the case may be), or that such matters are not capable of remedy,
 - (vi) the Member declines to replenish initial Margin referred to in these Rules, or
 - (vii) if, in the Exchange's opinion, it is necessary or desirable, to protect the financial integrity, reputation or interest of the Clearing House or the Exchange, or to promote a fair, orderly and transparent market.
- (b) Termination as described above may be imposed by the Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be).
- (c) The Exchange or the Disciplinary Committee or the Appeals Committee (as the case may be) may decide as to whether the termination is with immediate effect or from a future date and take any action or measure in relation to such termination.

3.21.4. Consequences of resignation, suspension or termination

- (a) A Member who has resigned, been suspended or whose membership has been terminated, shall be liable to the Exchange for all pending obligations and liabilities incurred by it under these Rules during the period of its membership and continue being subject to the disciplinary powers of the Exchange for any act or omission committed by it during its membership.

- (b) A resigning, suspended or terminated Member shall co-operate with and assist the Exchange in all matters arising out of such resignation, suspension or termination, including but not limited to, transferring its Open Positions to other Members or liquidating the same.
- (c) A resigning, suspended or terminated Member shall complete all pending transactions unless otherwise as may be decided by the Exchange and would be liable to its own Clients, counterparties and the Exchange in respect of all the transactions executed or committed by it during its membership.
- (d) The Exchange may publish the resignation, suspension and termination of a Member and shall notify the Clearing House, FSC, other Members and third parties.
- (e) The Member who resigned or has been suspended or terminated is not entitled to a refund of its membership, annual or such other fees that are already paid.
- (f) All the monies including Margin and payout would be held out at the discretion of the Exchange. A decision to release such money would be made by the Exchange after computing the Member's liabilities and obligations towards its Clients, the Exchange, counter parties and any other persons. The order of the disposal or appropriation of the money withheld would be in the following priority:
 - (i) the Exchange and /or the Clearing House ,
 - (ii) FSC,
 - (iii) Clients of the Member and
 - (iv) any other person.

Chapter 4 – TRADING RULES

4.1. Scope of this Chapter

- 4.1.1. This Chapter shall cover all types of Securities that are traded on the Exchange and apply to all eligible Members and to any other party in relation to trading of Securities on the Exchange.

4.2. Securities admitted to trading on the Exchange

- 4.2.1. The Exchange may admit a Security or class of Securities for trading on the Exchange with the terms and conditions of each Security comprising of Contract Specifications, the applicability of these Rules and other relevant matters.
- 4.2.2. Every Security is governed by these Rules and Contract Specifications that are specified by the Exchange after obtaining due approval from FSC, wherever applicable.
- 4.2.3. Upon a decision to admit each Security, the expiry date of each Security for trading on the Exchange shall be entered into the ATS system, wherever applicable.
- 4.2.4. The Exchange shall provide the Contract Specifications at the time of introduction of the Security, where applicable. In the event of a change in the Expiry Date of a Contract from that mentioned in the Contract Specification, the Last Trading Day that was previously determined will be changed as per the Expiry Date.
- 4.2.5. The Exchange may remove any Security from the approved list of Securities admitted for trading. If there are no Open Positions in Securities which the Exchange decides to remove, any such removal shall be effective at such time as the Exchange shall determine. However, in the event that there are Open Positions in the relevant Security which the Exchange has decided to remove, trading shall be allowed only to enable the closing out of those Open Positions to the extent the Exchange deems such trading to be necessary for a fair, efficient and orderly market.
- 4.2.6. The Exchange shall determine, among other things, trading hours and trading sessions for each Security.

- 4.2.7. Subject to the approval of the FSC where applicable, the Exchange may introduce trading in different Securities after due notice to the market through Circulars and/or Notices.

4.3. Futures Contracts

- 4.3.1. Under a Futures contract, in case of deliverable Contracts, the Seller will deliver and the Buyer will accept the Underlying which is the subject of the Futures Contract pursuant to the Contract Specifications for that Contract.
- 4.3.2. All Futures Contracts executed between Members shall be cleared and settled through the Clearing House in accordance with the relevant provisions of the Clearing Rules. All Rules, Circulars and/or Notices in relation to clearing and settlement shall to the extent applicable to a Member be binding on each such Member.

4.4. Options Contracts

- 4.4.1. Options Contracts include but are not limited to Options in a Futures Contract. Options Contracts can either be call or put Options Contracts.
- (i) In the case of a call Options Contract,
- (a) the Buyer of the call Options Contract acquires in consideration for a Contract Premium and at a Strike Price chosen from a list of such prices fixed under the relevant Contract Specifications and agreed between the parties, the right to acquire the Underlying as in the relevant Contract Specifications for that call Options Contract and
- (b) in the event that the Buyer of the call Options Contract exercises that right, a Seller as assigned by the Exchange shall be vested with a sell position in the Underlying at the same price and in the same Delivery Month as that assumed by the Buyer of the call Options Contract and

- (c) where a call Options Contract based on Futures is exercised, the resulting Futures Contract shall be recorded at the Strike Price agreed pursuant to above clause (a).
- (ii) In the case of a put Options Contract,
 - (a) the Buyer of the put Options Contract acquires in consideration for a Contract Premium and at a Strike Price chosen from a list of such prices fixed under the relevant Contract Specifications and agreed between the parties, the right to sell the Underlying as in the relevant Contract Specifications for that put Options Contract, and
 - (b) if the Buyer of the put Options Contract exercises that right, a Seller assigned by the Exchange shall be vested with a bought position in the relevant Underlying at the same price and in the same Delivery Month as that assumed by the Buyer of that put Options Contract.
 - (c) where a put Options Contract based on Futures is exercised, the resulting Futures Contract shall be recorded at the Strike Price agreed in accordance with above clause (a).

4.4.2. (i) **Right of a Buyer and Seller to close out:**

- (a) the Buyer of an Options Contract may prior to the expiration of trading on the Declaration Date, sell an Options Contract of the same series as that Options Contract bought, in which case the bought and sold positions may be closed out.
- (b) the Seller of an Options Contract may prior to the expiration of trading on the Declaration Date, buy an Options Contract in the same series as that Options Contract sold, in which case the sold and bought positions may be closed out.

(ii) **The Buyer of an Options Contract may:**

- (a) subject to subparagraph (iii) below exercise the Options at any time prior to the time fixed by the Exchange for lodging exercise notices in the relevant Options Contract, in which case, the Buyer shall become the holder of a bought futures position, in the case of a call Options Contract or holder of sold futures position in the case of put Options Contract, in the Underlying Futures Contract in the same Delivery Month and at the same price as the Strike Price of the Options Contract, or
- (b) permit the Exchange on the Declaration Date to automatically exercise the Options Contract or let it lapse in accordance with the relevant Contract Specifications.

(iii) The Buyer shall not have the right to exercise an out-of-the-money Options Contract.

4.4.3. An Options Contract shall be entered into in consideration of a Contract Premium payable by the Buyer. The Contract Premium shall be in pursuance to these Rules, Circulars and/or Notices and payment thereof shall be governed by Margin requirements under the Clearing Rules.

4.4.4. Strike Prices shall be fixed and published by the Exchange from time to time.

4.4.5. Exercise of an Options Contract may be carried out by lodging an exercise notice with the Exchange, in a form provided by the Exchange. A Member which holds a call Options Contract or a put Options Contract on behalf of a client may exercise the Options Contract provided that the Member has received the relevant instructions from the client prior to the time for lodgement of the exercise notice.

4.4.6. On the Declaration Date of Options Contracts, the Exchange shall unless otherwise directed by an exercise notice (a) exercise all in-the-money Options Contract and (b) allow all other Options Contracts to expire.

4.4.7. Upon receipt of an exercise notice, the Exchange will notify the Seller that the Seller has become the holder of a sold futures position in the case of a call Options Contract or the holder of a bought futures position in the case of a put Options Contract, in the Underlying Futures Contract in the same month and at a price equal to the Strike Price of the Options Contract sold.

4.4.8. On the Declaration Date, the Seller will receive such notification after the exercise notice is lodged with the Exchange and by not later than the time notified by the Exchange for each relevant Options Contract.

4.4.9. On all Business Days, the Seller will act upon such notification after the conclusion of business processing at the end of the day on which the exercise notice was lodged by the Buyer and by not later than the time notified by the Exchange for each relevant Options Contract.

(i) Where the Buyer and Seller have become the holders of a futures position in accordance with the exercise of an Options Contract, the Buyer and Seller shall comply with the provisions of these Rules in relation to the Futures positions.

(ii) The daily premium settlement for an Options Contract, the exercise procedure and assignment will be specified by the Exchange from time to time through Circulars and/or Notices.

4.5. Contracts for Difference (CFD):

4.5.1. All CFDs executed between Members shall be cleared and settled through the Clearing House in accordance with the relevant provisions of the Clearing Rules

4.5.2. All CFDs shall be cash settled and non – deliverable.

4.6. Trading on the Exchange

4.6.1. The Exchange will publish by Notice and/or Circulars the Business Days for a calendar year and trading hours.

4.6.2. Trading hours may be extended or reduced in exceptional circumstances by the Exchange and the same shall be communicated to the market through Circulars.

4.7. Maintenance of trading records

4.7.1. Members shall maintain records of each trade made by them for a period of not less than seven (7) years from the date of such trade, including:

- (a) the time and date of receipt of instructions;
- (b) the nature of the instructions received;
- (c) the person who received the instructions;
- (d) the time and date of transmission of those instructions and the person who transmitted the instructions;
- (e) the time and date of execution of those instructions and the person who executed the instructions; and
- (f) any other information as specified by the Exchange from time to time.

4.8. Trading system

4.8.1. The Exchange operates an order driven market through the ATS where Orders are submitted by Members including those Members, if any, who are Market Makers in specific Securities. Except where otherwise specified by the Exchange, all trading shall take place on the ATS.

4.8.2. The ATS provides anonymous, automated Order matching on the basis of price and time priority resulting in transactions binding on the Members. Orders in the ATS that stipulate no price limit are given priority, and where price limits are equal, priority will be given according to the time of entry.

4.8.3. Trade is executed on the ATS when Orders from opposite sides of the ATS are matched and the transaction shall have the effect of a binding contract between Members.

4.8.4. Unless otherwise specified by the Exchange, all Orders shall be

expressed in US Dollars.

4.8.5. Access to the ATS shall be by way of:

- (a) Trader Work Stations (“TWS”) approved by the Exchange as to technical specifications and location and any other factors that the Exchange may determine to be relevant and
- (b) User Ids allocated to Members on such terms and conditions, including but not limited to the Authorised Users to whom User Ids may be allocated as the Exchange may specify.

4.8.6. The Exchange may disconnect any User Ids allocated to an Authorised User if it is of the opinion that the continued access of the ATS by that Authorised User will affect the orderly conduct of the market.

4.8.7. The Exchange may issue Notices and/or Circulars regarding the procedures to be followed in using the TWS(s).

4.8.8. No Member shall have any title, right or interest in the ATS or any other trading system of the Exchange, its facilities, software and the information provided on the ATS or any other trading system of the Exchange and no such claim shall lie against the Exchange at any time.

4.9. Authorised User

4.9.1. No person shall be allowed to trade through a TWS connected to the ATS unless he is authorised to trade by a Member and is registered with the Exchange as an Authorised User.

4.9.2. An Authorised User shall at all times comply with the Relevant Acts, Guidelines, these Rules, Circulars and/or Notices as may be specified by the Exchange from time to time.

4.9.3. A person who is a director, an officer, an employee or an agent of a Member or a client of a Member and in either case who has been authorised to trade by that Member is eligible to apply to the Exchange for registration as an Authorised User.

- 4.9.4. No person shall be registered with the Exchange as an Authorised User unless he or she possesses the requisite skills and qualifications as may be required by the Exchange from time to time through Circulars and/or Notices.
- 4.9.5. A Member may at its discretion withdraw an authorisation at any time and shall simultaneously inform the Exchange.
- 4.9.6. A Member shall immediately withdraw the authorisation of an Authorised User in case there has been a failure on the part of that Authorised User to comply with the Relevant Acts, Guidelines, these Rules, Circulars and/or Notices that have been specified by the Exchange. Thereafter, the Member shall at the earliest inform the Exchange of the same.
- 4.9.7. A Member shall accept full responsibility for all its Authorised Users and take all reasonable steps to make sure that the Member and its Authorised Users shall comply with these Rules, Circulars and/or Notices.
- 4.9.8. The Exchange may refuse to register a person as an Authorised User or terminate such registration if it considers that the person is not or is no longer fit or proper to act as the Authorised User.
- 4.9.9. A Member which permits access to a TWS to a person who is not an Authorised User may have its membership suspended by the Exchange for a reasonable period to be determined by the Exchange or be subject to a disciplinary action.

4.10. Connection to the ATS

- 4.10.1. The Exchange may where it deems necessary in the interests of fair, efficient and orderly markets determine that a Member shall not provide a connection to the ATS to a particular client in relation to a particular order system.
- 4.10.2. Subject to these Rules, Circulars and/or Notices the allocation of User Ids and the approval of TWS shall be done by the Exchange. The Exchange may determine the number of User Ids to be issued to a particular Member, determine the required specifications and location of any TWS and disable any User Ids as required when it is of the opinion that continued use of such

User Ids will affect the operation of a fair, efficient and orderly market.

4.11. Market interruption

4.11.1. The ATS is not in operation for the purposes of these Rules when the computer system is not operating because of hardware or software breakdown and/or the Exchange is of the opinion that for any reason trading in Securities cannot occur in an orderly manner and gives Notice to that effect to the market and consequently causes a market interruption.

4.12. Daily Price Range

4.12.1. The Exchange shall maintain Daily Price Range (also called the price bands or the DPR) for different Securities traded on the ATS.

4.12.2. Orders which are not within the DPR range for the specific Security shall be rejected.

4.13. Order Requirements

4.13.1. Minimum indications for any Order submitted to the ATS shall inter-alia include:

- (i) identification of the Member submitting the Order;
- (ii) the ISIN or ICIN or the trading symbol assigned by the Exchange to each Security;
- (iii) Whether the Order is:
 - (a) for Proprietary Account; or
 - (b) for Client Account ;
- (iv) the Unique Client Code;
- (v) whether the Order is for a purchase or a sale;
- (vi) the Order type and quantity;

(vii) the price, where applicable;

4.13.2. The Exchange may, by Notice or Circulars, from time to time, specify a minimum or a maximum Order quantity or value for specified Securities.

4.14. Order Types and Parameters

4.14.1. The types of Orders that may be submitted to the ATS shall be set out by the Exchange through Circulars and /or Notices.

4.15. Order validation

4.15.1. Orders entered into the ATS by Members shall be subject to various validation requirements as specified by the Exchange from time to time including trading parameters, turnover limits and/or other restrictions placed on traded Securities. Orders that do not meet the validation checks will not be accepted by the ATS.

4.16. Trading Phases

4.16.1. The Exchange may operate its markets either on the basis of continuous trading or auction trading or combination of auction trading with continuous trading for a specific Security. The method of trading for a specific Security shall be notified by Circular and /or Notice.

4.17. Pre and Post-Trading Order Book Management

4.17.1. The Exchange may specify a period either before and/or after the close of trading, whereby Members can access the ATS for the purpose of modifying or cancelling existing Orders.

4.18. Order acceptance

4.18.1. The Exchange or a Member or its Authorised User may not accept any order for execution on the ATS unless such order meets the criteria as specified under these Rules.

4.19. Order cancellation

4.19.1. Subject to these Rules the Exchange may, cancel an Order or direct a Member to withdraw an Order, where in the opinion of the Exchange, an Order has been entered which is not in the

best interests of an orderly, fair and transparent market and the matter cannot be adequately or appropriately dealt with under these Rules, Notices and Circulars issued thereunder.

- 4.19.2. The Exchange may give notice of a decision made under this Rule to the relevant Members as soon as possible and practical.
- 4.19.3. A Member shall be permitted to modify or cancel an order pending in the ATS, provided a trade has not already taken place in respect of that Order. The Order can be modified by effecting changes in the Order input parameters in the manner and on such condition as specified by the Exchange through Circulars and /or Notices. The modified Order shall lose or retain its time priority as per the trading parameter set by the Exchange.

4.20. Trade cancellation

- 4.20.1. Securities transactions executed on ATS are irrevocable and are unalterable. The Exchange may specify from time to time the market segments in which trade cancellation can be effected.
- 4.20.2. Where a trade cancellation is permitted and the Member wishes to cancel a trade, it may be done only with the approval of the Exchange and in the following manner:
 - (a) The Member wishing to cancel the trade shall initiate a cancellation request to the Exchange. The counter Member to the trade too will have to put in its cancellation request separately.
 - (b) Where a Member initiates such request the onus shall be on the Member to ensure that it receives a written request from the Client. Member shall obtain copies of all such instructions in writing from Clients.
 - (c) Where a trade cancellation request(s) comes to the Exchange from only one party to trade and is/are pending with the Exchange as a result of it being not confirmed by the counterparty to such trade till such time as may be notified by the Exchange, such request may be considered at the discretion of the Exchange.

- (d) The Exchange shall not consider any request for a Trade Cancellation after close of Business Day as may be notified from time to time.
- (e) The Exchange may not give any reasons for rejection or approval of any such trade cancellation request.
- (f) The Exchange may cancel a trade suo- motu without any request by either of the parties to the trade at any time without giving any reason thereof, which cancellation shall be final and binding upon the parties to the trade. In the event of such cancellation, Member shall be entitled to cancel relative transactions with its Clients. Any decision made by the Exchange is final and binding on all parties and shall be notified to FSC.
- (g) In all instances of trade cancellation requests, the Member shall explain to the Client that the right to approve or reject such trade cancellation requests rests with the Exchange.

4.21. Confirmations, Reporting and Publication

4.21.1. Confirmations

The Exchange Systems shall acknowledge receipt of all Orders entered into the ATS. The Exchange Systems shall send a confirmation for each transaction to the relevant Members upon full or partial execution of any Order.

4.21.2. Reporting of Transaction

All Orders placed and trades carried out in the ATS are automatically and immediately deemed to have been reported to the Exchange and shall form part of the Exchange official records.

4.21.3. Pre-Trade Transparency

The Exchange shall continuously disseminate to the Members, direct access customers, eligible information vendors and other entities as the Exchange may determine from time to time, the

current best quotations as reflected in the ATS.

4.21.4. Post –Trade Publication

For each transaction carried out in the ATS, the Exchange shall immediately disseminate to the Members, direct access customers, eligible information vendors and other entities as the Exchange may determine from time to time,

- (a) the quantity,
- (b) the price and
- (c) the time of execution of such transaction.

4.22. Emergency powers

4.22.1. Whenever the Exchange considers that there is an emergency, force majeure event or crisis in the nature of manipulation, squeeze, bear raid or wherever it appears to the Exchange that the Securities are executed for the purpose of inducing a false or artificial appearance of activity or upsetting the price equilibrium or that the business is being conducted in a manner prejudicial to the interests of the trade or the interests of the Exchange or undesirable situation or practice has developed or is developing such as any unusual or unforeseeable events or adverse circumstances, it may:

- (a) suspend or curtail a Security for such period as it specifies;
- (b) cancel any executed trades or limit trading in any Security;
- (c) effect special clearance of outstanding Securities ;
- (d) close out a Security at a price determined by the Exchange;
- (e) amend or cancel a Security;
- (f) amend, delete or add to these Rules, Notices and Circulars;

- (g) impose any Margins; or
 - (h) take such other measures that the Exchange may decide.
- 4.22.2. The Exchange shall have power to call upon all or any Member to submit detailed statement providing information relating to Securities entered into by such Member in such form and in such manner as may be required by the Exchange. In particular and without prejudice to the generality of the foregoing power, such information may relate to the following matters, among other things:
- (a) Securities transactions entered into by a Member with another Member for its own-account;
 - (b) Securities transactions entered into by a Member on behalf of others;
 - (c) Open Positions of a Member and of Clients on whose behalf the Member has entered into Securities transactions; and
 - (d) Securities held by a Member or its clients.
- 4.22.3. The Exchange shall have power for the purpose of verifying or checking any statement submitted by a Member under these Rules, Circulars and/or Notices to call for the production of the books of any Member and/or call for explanation from any Member.
- 4.22.4. A Member failing or neglecting to submit any such statement or to produce any such books to give any such explanation shall be subject to a disciplinary action under these Rules.
- 4.22.5. If, in the opinion of the Exchange, an emergency has arisen or exists or it is expedient in the general interests of the trade of the Exchange to do so, the Exchange may, among other things, close out all transactions at such rate or rates, appropriate to such Security and with effect from such date as shall be fixed by the Exchange.

- 4.22.6. The decisions taken by the Exchange under this Chapter are binding on all Members, its Clients and representatives.

4.23. Market Maker

- 4.23.1. The Exchange may appoint one or more Market Makers in respect of a particular Security. An entity desirous of becoming a Market Maker will sign an agreement with the Exchange on such terms and conditions, as may be specified by the Exchange for making a market in the specific Securities assigned to such Market Maker.
- 4.23.2. Market Maker shall offer at all times during the trading hours of the Exchange and during the period it has agreed to function as a Market Maker, quotations for both buying and selling of Securities as determined by the Exchange for such Market Maker.
- 4.23.3. If a Market Maker ceases to provide bid and ask quotations as per the Market Maker Agreement on the ATS without assigning proper and valid reasons, the Exchange may take such action as it deems fit.

4.24. Surveillance, Market Watch System, Investigation and Members' Database

- 4.24.1. The Exchange shall carry out and supervise the functions relating to surveillance, investigation and any other market related activities. The Exchange with the approval of FSC may outsource such functions to a separate entity or by a separate and distinct entity established by it either jointly or in collaboration with any other institution. The provisions relating to surveillance, market watch system, investigation, any other market related activities and Members' database shall be specified in the Rules and Circulars and/or Notices issued by the Exchange from time to time relating to these matters.

4.25. Exchange For Physicals (EFP) and Exchange For Swaps (EFS)

- 4.25.1. EFPs and EFSs involve the exchange of Futures Contracts in connection with a bi-lateral cash market transaction, or in a variant of the same Underlying or Swap and involve the "giving" of Futures Contract by the Buyer (establishing a Short Position) and "taking" of the Futures Contract by the Seller (establishing a

Long Position) at an agreed upon price and in accordance with the relevant provisions of the Clearing Rules. The Exchange and/or the Clearing House shall determine the procedures to be followed in executing EFPs and EFSs transactions and publish them through Circulars.

4.26. Block Trade

- 4.26.1. Members may execute Orders as a Block Trade provided that they are executed in the manner specified by the Exchange. A Block Trade may be transacted only in such Securities and above such minimum volume threshold as notified to Members from time to time. Any Block Trade which is not executed in the specified manner or does not satisfy any specified criteria shall not be considered as a valid trade by the Exchange and shall not be registered by the Exchange.

CHAPTER 5:- ENFORCEMENT POWERS

5.1. General

- 5.1.1. The Exchange shall have surveillance capability to oversee and investigate activities on its facilities and ensure compliance with the Relevant Acts, Guidelines, these Rules, Circulars and/or Notices and all applicable laws and further shall have the power to enforce these Rules, Circulars and/or Notices.
- 5.1.2. The Exchange shall have the power to receive and consider complaints against a Member.
- 5.1.3. The Exchange may *suo moto* or where directed by the FSC shall investigate the complaint and initiate further action, if deemed fit against a Member, its directors, officers, employees, Clients or agents.

5.2. Cause for Investigation

- 5.2.1. The Exchange shall have the power to receive and consider:
 - (a) any allegation or complaint against a Member, its directors, officers, employees, Authorised Users, contractors or agents or Clients of any violation of these Rules, Circulars and/or Notices for any acts or omissions,
 - (b) any dispute between Members and/or Authorised Users in connection with trading on the Exchange,
 - (c) any reports of possible irregularity or trading abuse detected by its audit and surveillance system, or
 - (d) any matter which may affect a fair, orderly and transparent market in the Exchange's view.
- 5.2.2. The Exchange may investigate any of the above matters and initiate further action, if deemed fit, against the Member, its directors, officers, employees, Authorised Users, Clients or agents.

5.3. Liability and Jurisdiction

- 5.3.1. Liability of Member: Any breach of the Relevant Acts, Guidelines, these Rules, Circulars or any applicable law brought about by the acts or omissions of any Client, officer, employee, Authorised User, contractor or agent of a Member, whether or not acting within authority granted by the Member, shall be deemed to have been committed by that Member.
- 5.3.2. Jurisdiction of the Exchange over former Members: Investigations and proceedings may be commenced under the provisions of this Chapter and these Rules against a former Member and such former Member shall be bound by any decision or finding or penalty imposed.

5.4. Investigations

- 5.4.1. The Exchange may, among other things, for the purpose of investigating, monitoring and obtaining information about any matter which it considers may relate to these Rules and its functions:
- (a) require the prompt production by a Member of relevant documents which shall include anything in which information of any description recorded, in the Member's possession or control and if any such documents cannot be produced, require the Member to state to the best of its knowledge and belief where and in whose possession or control they are and require the Member to take all steps to produce them or procure their production;
 - (b) require the prompt production by a Member of any relevant information, data or document in respect of its transactions in any format, as specified by the Exchange;
 - (c) upon notification, require the attendance of any employee, officer, director, or agent of a Member at a specified date, time and place to answer questions, provide explanations and/or present evidence and require the Member to secure such attendance;
 - (d) upon notification, interview any employee, director, officer or agent of a Member and require such person to answer

questions and provide explanations and/or give evidence and record such answers, explanations and evidence electronically or otherwise;

- (e) require the submission of information or document related to any person who is to be, is or has been a director, an officer, an employee, an agent of the Member; and
- (f) send any representative of the Exchange to a Member's office to conduct inspections or investigations to ensure compliance with the Relevant Acts, Guidelines, these Rules, Notices and/or Circulars.

5.4.2. A Member shall not do anything to frustrate the employee, director, officer or agent from co-operating with the Exchange investigation and shall use its best efforts to make sure that its directors, officers, employees or agents co-operate with the Exchange. A Member shall be responsible to the Exchange for the conduct of its employees, directors, officers, Clients or agents.

5.5. Co-operation with others

5.5.1. In exercising its enforcement powers and performing its functions, the Exchange shall co-operate with FSC, any governmental or regulatory body, self-regulatory organisation or enforcement agency in Mauritius or elsewhere in such manner as may be necessary and disclose to any of the foregoing persons any information or document regarding a Member and its affairs for the purpose of compliance with any applicable laws.

CHAPTER 6: - DISCIPLINARY AND APPEALS RULES

6.1. Application of Disciplinary Rules

- 6.1.1. These Disciplinary Rules shall apply to all Members, their directors, officers, employees and agents.
- 6.1.2. The Exchange shall retain its powers over former Members, their directors, officers and employees with respect to any action or matter which occurred prior to the termination of or resignation from membership.

6.2. Disciplinary actions

- 6.2.1. The Exchange may after investigating the matter initiate a disciplinary action against a Member, any persons employed by or contracted to a Member or its directors, employees, officers or agents and refer the matter to the Disciplinary Committee if in the opinion of the Exchange, the Member has or may have contravened the Relevant Acts, Guidelines, these Rules, Notices and/or Circulars.
- 6.2.2. The Exchange may, after investigating the matter, take the following actions in lieu of initiation of disciplinary proceeding under these Rules:
 - (i) issue a letter of warning or a reprimand to the Member, and/or
 - (ii) impose a fine on the Member.
- 6.2.3. Nothing in the above shall prevent the Exchange from remitting the matter to the Disciplinary Committee for its review save that such matter shall not be so remitted where actions in subparagraph 6.2.2 (ii) above have been taken.
- 6.2.4. Any Member aggrieved by the decision of the Exchange to impose a fine shall exhaust the appeals process provided by these Rules, Circulars and/or Notices before exercising any right of review or appeal under the laws of Mauritius and the Relevant Acts.

6.3. Disciplinary Committee

- 6.3.1. The Board shall constitute a Disciplinary Committee which shall comprise of at least five persons provided always that no such person shall be a director, employee or officer of the Exchange.
- 6.3.2. In addition to the persons appointed by the Board, an officer or employee of the Exchange shall be nominated by the Board as an ex-officio member of the Disciplinary Committee.
- 6.3.3. Any officer, employee, representative, contractor or agent of a Member or the Clearing Member may be appointed to the Disciplinary Committee so constituted save that such persons so appointed shall not form a majority of the Disciplinary Committee.
- 6.3.4. The members within the Disciplinary Committee shall appoint the chairperson of the Committee.
- 6.3.5. The quorum for a meeting of the Disciplinary Committee shall consist of at least 3 (three) members. The Disciplinary Committee shall reach decisions on a majority basis. In the event of an equality of votes, the chairperson shall have a deciding (casting) vote.

6.4. Conflict of interest

- 6.4.1. No person who has any financial, personal or other interest in the matter to be considered by the Disciplinary Committee may serve on the Committee. Any member having an interest must notify the chairperson promptly. If the chairperson has or may have a conflict of interest, the chairperson shall notify the Board promptly and abstain from serving on the Disciplinary Committee for such conflicted matter. The Board shall in such a case determine which of the other members of the Disciplinary Committee shall have a deciding (casting) vote in the event of equality of votes.

6.5. Powers of the Disciplinary Committee

- 6.5.1. The powers of the Disciplinary Committee include, without any limitation, the following:
 - (a) enquire in an alleged breach of Rules by the Members;

- (b) order to impose a fine or a penalty which is proportionate to the seriousness of the violation;
- (c) public or private warning of the Member in violation;
- (d) ordering a restitution to any aggrieved person;
- (e) suspension of membership;
- (f) termination of membership;
- (g) dismiss the charges; or
- (h) award costs.

6.6. Disciplinary Procedure

- 6.6.1. The Exchange shall give 15 (fifteen) calendar days notice to the Member against whom disciplinary action has been brought, specifying details of the matter and the date, place and time of the meeting of the Disciplinary Committee.
- 6.6.2. The Disciplinary Committee may require evidence to be given either orally or in writing and may require any evidence to be verified by an affidavit. It shall be a violation of these Rules if a Member rejects or fails to attend and provide evidence when required to do so by the Disciplinary Committee or answer falsely any question put to it by the Disciplinary Committee or fails to produce to the Disciplinary Committee any books, written materials, records, recording, papers or information, whether electronic or, otherwise required of it.
- 6.6.3. The Disciplinary Committee may require any officer, director, employee, agent, consultant, Client or contractor of a Member to attend and provide evidence before it at the hearing and produce any books, written material, records and any information, whether electronic or otherwise, that are in possession, control or custody of the person relating to any matter of any disciplinary action.
- 6.6.4. The Disciplinary Committee may require that oral evidence be received only after the witness has taken an appropriate oath or

similar affirmation.

- 6.6.5. At any hearing of the Disciplinary Committee, the Member shall be given a reasonable opportunity of being heard and shall be entitled to call witnesses or submit evidence. The Disciplinary Committee may adjourn the meetings.
- 6.6.6. The Exchange shall present its case at the hearing.
- 6.6.7. The Disciplinary Committee shall send to the Exchange and to the Member its written decision including its findings and recommendations.
- 6.6.8. Unless otherwise provided in this Rule, the proceedings shall be conducted in such manner as the Disciplinary Committee may determine.

6.7. Right to Counsel

- 6.7.1. The Exchange and the Member are entitled to be represented by a legal representative and/or any other representative of their choice.

6.8. Payment of expenses and costs

- 6.8.1. Where the Disciplinary Committee finds that there was reasonable cause for the hearing, investigation or inspection and determines that the Member concerned ought, for that reason, to pay all or any specified part of the expenses of or incidental to the hearing, inspection or investigation, the Member shall be liable to make payment accordingly, and those expenses, or the specified part thereof, may be recovered by the Exchange.

6.9. Payment of fines/penalties

- 6.9.1. Any fine or penalty imposed or modified by the Disciplinary Committee shall be due and payable on the effective date of the Disciplinary Committee's decision unless otherwise decided by the Disciplinary Committee.

6.10. Right to appeal

- 6.10.1. Any party aggrieved by a decision of the Disciplinary Committee

shall exhaust the appeals process provided by these Rules, Circulars and/or Notices before exercising any right of review or appeal under the laws of Mauritius and the Relevant Acts.

6.11. Appeals Rules

- 6.11.1. Appeals against decisions of the Exchange or the Disciplinary Committee shall be made by service of a notice in writing on the Exchange within 15 (fifteen) days of the service of the decision of the Exchange or the Disciplinary Committee, as the case may be.
- 6.11.2. The notice must set out the name of the appellant, the decision appealed against, the grounds of appeal and attaching copies of any documents relied upon.

6.12. Appeals Committee

- 6.12.1. The Appeals Committee shall hear and determine appeals against the decisions of the Exchange or the Disciplinary Committee, as the case may be.
- 6.12.2. The Appeals Committee comprises of persons appointed by the Board as members of the Appeals Committee and each Appeals Committee shall have at least three members.
- 6.12.3. In case of an appeal against the decisions of a Disciplinary Committee, the members constituting the Appeals Committee shall not be those members who were a part of the Disciplinary Committee against whose decision the appeal is preferred.
- 6.12.4. The members of the Appeals Committee shall appoint the chairperson of the Committee.
- 6.12.5. The quorum for a meeting of the Appeals Committee shall consist of 3 (three) members. The Appeals Committee shall reach decisions on a majority basis. In the event of an equality of votes, the chairperson shall have a deciding (casting) vote.
- 6.12.6. Except where it is explicitly provided under these Rules, the Appeals Committee may establish its own terms of reference and procedures.

6.13. Conflict of interest

6.13.1. No person who has participated at an earlier stage in the disciplinary process nor any person who has any personal, financial or other interest in the matter to be considered by the Appeals Committee shall serve on the Appeals Committee. Any member interested shall promptly notify the chairperson. If the chairperson has or may have a conflict of interest, the chairperson shall notify the Board promptly and abstain from serving on the Appeals Committee for such conflicted matter. The Board shall in such a case determine which of the other members of the Appeals Committee shall have a deciding (casting) vote in the event of equality of votes.

6.14. Powers of the Appeals Committee

6.14.1. The powers of the Appeals Committee include:

- (a) all the powers of the Disciplinary Committee,
- (b) hearing appeals in accordance with these Rules,
- (c) overturning, varying or upholding any decision of the Disciplinary Committee, including but not limited to removing, increasing, reducing or otherwise varying any penalties or sanctions decided on by the Disciplinary Committee, or
- (d) dealing with such other matters as the Board gives it power to so deal (either generally or in a particular case).

6.15. Appeals procedure

6.15.1. The Appeals Committee shall give 15 (fifteen) days notice to the appellant and other party of the date, place and time of the appeal hearing.

6.15.2. If any party fails to attend at the hearing, the Appeals Committee may proceed in its absence.

6.15.3. The Appeals Committee may call, allow or disallow any witness. The Appeals Committee may receive evidence that was not available to the Disciplinary Committee. In such circumstance, the Appeals Committee may consider whether

the evidence was available to the Disciplinary Committee and why it was not presented at that time.

6.15.4. The Appeals Committee shall prepare and send to the parties the decision of the Appeals Committee.

6.15.5. Unless otherwise provided in this Rule, the proceedings shall be conducted in such manner as the Appeals Committee may determine.

6.16. Right to representation

6.16.1. Any party may be represented by a legal representative and/or any other representative of their choice at an appeal hearing.

6.17. Payment of expenses and costs

6.17.1. Where the Appeals Committee finds that there was reasonable cause for the hearing, investigation or inspection and determines that the Member concerned ought, for that reason, to pay all or any specified part of the expenses of or incidental to the hearing, inspection or investigation, the Member shall be liable to make payment accordingly, and those expenses, or the specified part thereof, may be recovered by the Exchange.

6.18. Payment of fines/penalties

6.18.1. Any fine or penalty imposed by or modified by the Appeals Committee shall be due and payable on the effective date of the Appeals Committee's decision unless otherwise decided by the Appeals Committee.

6.19. Utilization of the fines/penalties

6.19.1. Any fines or penalties paid by Members following a decision of the Disciplinary Committee and/or an Appeals Committee shall be placed in a fund constituted by the Exchange solely for the purpose of investor protection and/or education.

6.20. Finality of Decisions

6.20.1. Subject to these Rules, the decisions of the Appeals Committee are final and binding on the parties and there shall be no further appeal under these Rules.

CHAPTER 7: - DEFAULT RULES

7.1. Scope of this Chapter

7.1.1. This Chapter applies to the transactions on the Exchange but does not apply to transactions between the Clearing House and a Clearing Member, which are subject to the default rules of the Clearing House.

7.2. Event of Default

7.2.1. The occurrence of any of the following events with respect to a Member shall constitute an Event of Default as determined by the Exchange. Events of default will be dealt in accordance with these Rules and may include, without limitation, any of the following:

- (a) the Member is in violation of these Rules, Notices and/or Circulars issued there under;
- (b) the Member is in default in any market segment of the Exchange;
- (c) the Member fails to make any payment required to be made by it for the purpose of satisfying its obligations, including but not limited to, payment of Margins, Daily Settlement Amount, contribution to the investor protection fund, annual fees , transaction charges and other dues;
- (d) the Member fails to make or accept Delivery as in performance of an Open Contract or Open Position subject to Delivery or for the purpose of satisfying its clearing and settlement obligations;
- (e) the Member defaults in any other obligation under these Rules which if capable of being remedied, is not remedied to the satisfaction of the Exchange within the time specified for such rectification by the Exchange;
- (f) the Member is in violation of its membership agreement/undertaking with the Exchange;

- (g) the Member is expelled or suspended from membership of any exchange or clearing agency or its membership is terminated by such exchange or clearing agency or declared as a defaulter by such exchange or clearing agency;
- (h) an application, in Mauritius or any jurisdiction, is filed or an order made for the winding up, dissolution, bankruptcy, management or administration of the Member or similar event; or an assignment or composition is made by the Member for the benefit of creditor(s);
- (i) any representation, warranty or document made or submitted by a Member in its membership application was or has become false in any material respect;
- (j) the Member fails to comply with its ongoing obligations under these Rules;
- (k) an enforcement action, proceeding, sanction or injunction against the Member is filed by a regulator or law enforcement agency;
- (l) a default is declared against a Member under these Rules or the Clearing Rules;
- (m) the Member is in violation of an applicable law or regulation governing its business and affairs.

7.3. Declaration of Defaulter

- 7.3.1. A Member may be declared a Defaulter by the Exchange or by a Committee if any one or more of the events as mentioned under Rule 7.2 occurs.

7.4. Declared Default

- 7.4.1. The Exchange shall determine whether it shall treat an Event of Default as a Declared Default and shall determine the date and time of such declared Default.

7.4.2. The Exchange shall notify, in writing, the Defaulter Member as well as other Members of the declared Default and its date and timing.

7.5. Defaulter's books and documents

7.5.1. When a Member has been declared a Defaulter, it shall hand over to the Exchange or to the Committee all its books, documents, papers, assets, cheque books and other documents, as may be specified by the Exchange.

7.6. List of debtors and/or creditors

7.6.1. The Defaulter shall file with the Exchange or with the Committee within such time of the declaration of its Default, as may be directed by the Exchange, a written statement containing a complete list of its debtors and creditors and the sum owing by and to each of them.

7.7. Defaulter to give information

7.7.1. The Defaulter shall submit to the Exchange and the Committee such statement of accounts, information and particulars of its affairs as may be required from time to time and shall appear before such Committee at its meeting in connection with its Default, whenever called upon to do so.

7.8. Consequences of Declaration of Defaulter

7.8.1. Cessation of Membership at once: A Member of the Exchange which is declared a Defaulter shall at once cease to be a Member of the Exchange and as such ceases to enjoy any of the rights and privileges of membership on the Exchange but the rights of its creditors arising out of or incidental to the transactions against it shall remain unimpaired as provided herein.

7.8.2. Lapse of right of Membership of the Exchange: The right of the Member shall lapse or forfeit and vest in the Exchange *ipso facto* upon such Member being declared a Defaulter.

7.9. Rights of the Exchange

7.9.1. The occurrence of an Event of Default shall not preclude the

rights of the Exchange to exercise, against any Member, any or all of its powers (as it deems fit) in relation to any other event whether or not also constituting an Event of Default (whether such other event is concurrent, subsequent or prior to the Event of Default). The Exchange may notify FSC or any other relevant regulatory body before it exercises any of its powers in relation to an Event of Default.

7.9.2. Upon the occurrence of a Declared Default, the Exchange may, take such steps as it deems necessary, including but not limited to, cancelling any order or transaction of the Defaulter, suspending the Defaulter's (including its Authorised Users) connection to the ATS or market operated by the Exchange, freezing the Defaulter's accounts and selling any or all property, or Collateral standing to the credit of the Defaulter's Accounts.

7.9.3. Without prejudice to the generality of the foregoing, the Exchange may take any action as it deems appropriate, including without limitation, the following:

- (a) the Exchange may limit trading to liquidation of positions only or order liquidation of all or a portion of any Open Position (whether a Proprietary Position or Client Position or both).
- (b) the Exchange may require additional Margins to be deposited (with the Exchange or with the Clearing House) for any Security.
- (c) the Exchange may confine trading of any Security to a specific price range or modify Business Days or hours.
- (d) if a Member's act or omission results in a Clearing Member defaulting under the Clearing Rules, the Exchange or the Clearing House, as the case may be, reserves the right to call on any of the Collaterals provided by the Member and apply the proceeds toward the discharge of liabilities incurred by the Clearing Member to the Clearing House.
- (e) the Exchange may take such other actions against any Member as the Exchange deems fit to discharge its regulatory obligations under the Relevant Acts and to

maintain a fair, orderly and transparent market.

- (f) Any amount later recovered from the Defaulter Member shall to the extent of such recovery reduce the Loss of the Exchange.

7.10. Finality of settlements

- 7.10.1. For the purposes of insolvency laws and property laws, this Chapter is intended to relate to the finality of acquisitions and dispositions pursuant to this Rule.

CHAPTER 8:- ARBITRATION

- 8.1. This Chapter applies to disputes between Members, between a Member and its Client.
- 8.2. Where any dispute arises from or in connection with Securities traded on the Exchange, the disputing parties shall try to settle the dispute through mutual negotiations in good faith, failing which the disputing parties shall settle the dispute through arbitration.
- 8.3. Rule 8.1 shall not apply to any disciplinary action taken or proposed to be taken under these Rules.
- 8.4. The submission of any dispute to arbitration under these Rules shall not limit in any way or preclude the taking of any other action or exercise of any power by the Exchange to such dispute under these Rules.
- 8.5. The award of the arbitrator(s) shall be binding on all relevant parties to the dispute.
- 8.6. The process and procedure of Arbitration mechanism shall be notified by the Exchange through Circulars from time to time.

CHAPTER 9:- INVESTOR PROTECTION FUND

- 9.1. The Exchange may establish and maintain a fund to be named 'the Investor Protection Fund'.
- 9.2. Subject to the Relevant Acts, the fund shall be used to compensate any person who suffers financial loss on account of defalcation committed by a Member, its relevant persons, officers, employees or agents in the course of carrying on business on the Exchange. Such defalcation may relate to money or assets entrusted to the Member by any Client or belonging to the Client or held by the Member to the account of the Client, in the course of dealings by such Client on the Exchange. The Rule shall not cover any such defalcation in respect of money or assets which are held by a Member in respect of dealings outside the Exchange.
- 9.3. Every Member shall contribute to the fund in such manner and at such times as the Exchange may determine from time to time.
- 9.4. Any person claiming compensation from the fund under this Rule shall act in accordance with the procedures specified by the Exchange and produce such documents in support of their claim as may be required by the Exchange.
- 9.5. The Exchange may administer the fund and invest the monies of the fund, in any manner as permitted by FSC.

----- END OF RULES -----