



EIX Primary and Secondary Markets

M1: Member Rules

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Glossary

Introduction

Estates and Infrastructure Exchange (EIX) is a multilateral trading facility (MTF) based in the City of London. It is the first investment exchange globally to focus exclusively on infrastructure and real estate-related Project Bonds.

EIX runs two markets, a Primary Market on which new bonds are placed for fundraising and a Secondary Market on which positions in existing Project Bonds are traded. EIX invites applications from qualified firms to become Members.

These **Member Rules** set out the eligibility, requirements, obligations and responsibilities for Pilots. These rules should be read in conjunction with the **Trading Rules** and **Disclosure Rules**.

Part One: Membership Types

1 Standard Members

- 1.1 Standard Members may become Members of both the Primary Market and Secondary Market or Secondary Market only.

Standard Members may choose to participate in both Primary and Secondary Market Auctions but are under no obligation to provide bids or offers in individual auctions. Standard Members sign a Membership Agreement once approved.

2 Liquidity Providers

- 2.1 Liquidity Providers are Members that commit to provide offer prices for named Project Bonds during Secondary Market auctions in order to help build liquidity.

Liquidity Providers buy tranches of Project Bonds on the Primary Market, or list existing Project Bonds with the purpose of selling-down some or all of their positions.

In exchange for providing this service, Liquidity Providers pay a discounted transaction fee. Liquidity Providers sign a Membership Agreement and sign a Liquidity Provider Addendum once approved.

Part Two: Membership eligibility and application

3 Membership of EIX

- 3.1 Any Investor wishing to become a Member of EIX must apply for membership. The admission of an Investor to membership is subject to application and approval. Upon admission, the Investor shall be denoted as a Member of both the Primary and Secondary Markets or as a Secondary Market Member only.

4 Eligibility Requirements

Participation is open to firms that meet the Eligibility Criteria and who agree to abide by these Rules and any other guidance or other requirements issued by EIX;

- 4.1 Have in place a clearing account with CREST or Clearstream.
- 4.2 Be an EEA regulated investment firm or credit institution that EIX believes to be suitable for admission;
- 4.3 Have in place adequate systems and controls to ensure their ongoing compliance with these Rules;
- 4.4 Have in place appropriate technology and systems to enable them to access EIX Platform and appropriate security measures;
- 4.5 Have in place appropriate Order management, Order routing, execution, voice and other recording facilities to provide EIX (if requested) with such information as it may require in relation to the validity and execution of any Order.
- 4.6 Applicants must declare which type of business they intend to conduct on EIX Platform (client business and/or proprietary business).

5 Admission to Membership of EIX

- 5.1 Applications for membership shall be made to EIX in the form specified which includes:
- Application for Membership at Firm level
 - Application for each Authorised Trader
- 5.2 EIX shall, after receipt of application for membership and any additional information requested, on its sole discretion, approve or reject such application or approve such application subject to such conditions and/or restrictions as it considers appropriate. EIX shall notify the Applicant of its decision in writing.
- 5.3 EIX shall inform the Competent Authority, and, as applicable, the Clearing Organisation(s), of the admission of new Members and the date on which such new Members are approved and/or start trading.
- 5.4 If EIX decides to refuse an application, it shall promptly notify the Investor in writing. Such Investor may, by notice in writing within seven days of receiving notice of such decision, require EIX to give additional explanations for its decision within seven days of receiving such notice from the Applicant.

6 Continuing Obligations

To maintain Membership, Members must meet the following Continuing Obligations

- 6.1 *Non-Disclosure and Non-circumvention.* Members must engage into an agreement covering both Mutual Confidentiality and Non-Circumvention.
- 6.2 *Resignation.* A Member must give EIX thirty (30) calendar days' notice in writing of its intention to resign from Membership of EIX.
- 6.3 EIX may, in its absolute discretion, refuse to accept notice of resignation in the event that it considers there is an outstanding matter concerning the Member that is subject to ongoing investigation.
- 6.4 A Member's resignation is not effective, and the Rules will continue to bind the Member until all the Member's outstanding Orders have been matched, cancelled or withdrawn; and all the Member's obligations under the Rules have been performed.
- 6.5 If it appears that a Member (or any person acting in the name of a Member):
- does not comply with these Rules;
 - ceases to meet the Eligibility Criteria;
 - is subject to regulatory enforcement or other proceedings by the FCA or any other Competent Authority which has a material impact on the Member's ability to comply with the Rules;
 - fails to pay any dues, fees, charges or other amounts due to EIX within 60 days after the same has become payable;
 - fails to settle any transactions within 60 days after the same has become payable;
 - or engages (or is suspected of engaging) in any activity which has or is likely to impair the functionality, speed or reliability of the EIX Platform or compromise, impair, restrict or prevent the ability of EIX to operate a fair and orderly market.

Then EIX may, at its absolute discretion, suspend or terminate the membership of a Member or restrict the Member's right to place Orders or receive information from the EIX Platform.

- 6.6 The Member will be notified in writing of any action taken, or proposed to be taken, by EIX in relation to this Rule.
- 6.7 In addition to taking any such disciplinary action against the Member, EIX may also report the behaviour of the Member to the relevant Regulator.

- 6.8 EIX retains the right to bring disciplinary action against a Member under these Rules for up to one (1) calendar year after a Member ceases to participate in EIX where the cause of action occurred prior to the termination of membership.
- 6.9 Each Member shall be responsible for compliance with all legal and regulatory responsibilities which may be imposed on the Member including (but not limited to) making appropriate arrangements for the reporting of any Trades executed on the EIX Platform.
- 6.10 Members must have and maintain adequate internal procedures and controls to prevent the submission of erroneous Orders to the EIX Platform.
- 6.11 Members must ensure that they meet and continue to meet the technology requirements specified by EIX as amended from time to time.
- 6.12 Members must ensure that any persons, whether staff or clients, who submit Orders to EIX through the Member are sufficiently trained, and adequately supervised, and have adequate experience, knowledge and competency to abide by and comply with the Trading Rules.
- 6.13 Members must ensure that any information, statement or representation made by it, or by any of its appointed Officers, employees or agents, in any application, report or other communication to EIX is not false or misleading.
- 6.14 Members will co-operate with EIX and the FCA (or any other Competent Authority) in any investigation conducted in relation to trading on the EIX Platform.

7 Notifications

- 7.1 Members shall notify EIX immediately on the occurrence of any of the following in relation to it, or where relevant to its Sponsored Members, or any holding company:
- 7.1.1 An Insolvency Event
 - 7.1.2 Any enforcement action or other proceedings which could impair or restrict the Member's ability to comply with these Rules, unless such a disclosure is prohibited by law or any relevant Regulator;
 - 7.1.3 It becomes aware that it is in breach of these Rules and such a breach is likely to impair a fair and orderly market on the EIX Platform;
 - 7.1.4 Any other action or omission by the Member or by any other Member which may impair a fair and orderly market on the EIX Platform.

- 7.2 Members should notify EIX as soon as reasonably practicable on the occurrence of any of the following in relation to it (or where relevant its Sponsored Members or any holding company),
- 7.2.1 A change of name, address, legal status, or the business name under which it carries on business;
 - 7.2.2 A change of control within the meaning given under the Financial Services and Markets Act 2000 (FSMA);
 - 7.2.3 A breach of these Rules unless such a breach is likely to impair the ability of EIX to operate a fair and orderly market, in which case a notification must be made immediately;
 - 7.2.4 A change which results in the Member being unable to fulfil the Eligibility Criteria; any amendments or planned amendments to the Member's business profile in relation to its activities on EIX Exchange, including plans to submit non-client facilitating proprietary Order flow;
 - 7.2.5 Any other significant events or matters which EIX might reasonably expect to have brought to its attention.
 - 7.2.6 All notifications by a Member under these Rules shall be made to the EIX Compliance Team using the contact details supplied to the Member upon successful completion of the application process (as amended from time to time). Where a notification is initially made verbally or via electronic mail, there may be a requirement for the notice to be subsequently confirmed in writing.
- 7.3 EIX will notify members with holdings in Project Bonds of any relevant notifications which could impact a Project.

8 Clearing Arrangements

All applicants should have a CREST account, details of which should be provided during the onboarding process.

9 Register of Primary Market and Secondary Market Members

- 9.1 EIX shall maintain a register of Members for both the Primary Market and Secondary Market, including the contact details and capacities of each Member.
- 9.2 A Member shall be deemed to have elected domicile at the address stated by him in the Admission Agreement or at the last address subsequently specifically notified by him in writing to EIX.

10 Suspension and Termination

- 10.1 EIX shall suspend for a fixed term in whole or in part, a Member's trading privileges and may terminate their membership in the event of:

- (i) A Member failing to perform, or delaying performing, any of such Member's obligations under the Admission Agreement, any other agreement to which both EIX and the Member are party for which such failure would constitute a violation of the Members' obligations under this Part; or
- (ii) The dissolution of the Member, if a legal entity or partnership; or
- (iii) A Member suspending payment or calling a meeting of his creditors; or
- (iv) A Member having a receiving order or a bankruptcy order made against him or all of the partners; or
- (v) A Member which is a legal Investor having a receiver or an administrative receiver appointed or a petition for winding up presented or a resolution passed for winding-up or proceedings have otherwise commenced for its dissolution; or
- (vi) Insolvency or other similar event occurring in respect of a Member; or
- (vii) The Member's application for membership containing material errors or omissions or being misleading in a material respect; or
- (viii) The revocation or expiry without renewal of the Member's Home State authorisation, licence or permission to engage in the relevant Investment Services resulting in the Member failing to satisfy the membership requirements; or
- (ix) A Member failing to satisfy EIX that it meets any financial requirement for membership stipulated by EIX from time to time; or
- (x) The suspension or termination of a Member's capacity as a Clearing Member or termination of its Clearing Agreement.

Part Two: Rules of Conduct

This Chapter sets forth rules of conduct specific to EIX which Members must observe when trading on the Primary and Secondary Markets.

11 General Duties of Integrity, Fair Dealing and Care

11.1 When trading on the Securities Market of EIX, a Member shall:

- (i) Observe high standards of integrity, market conduct and fair dealing;
- (ii) Act with due skill, care and diligence; and
- (iii) Refrain from any act or course of conduct which is likely to harm the reputation of EIX.

11.2 A Member shall behave in a responsible manner when using EIX's Primary and Secondary Market Platforms and associated facilities provided by EIX and shall only use the Platform and these facilities when there is a legitimate need to do so.

11.3 A Member acting on behalf of Clients shall ensure that, pursuant to applicable national regulations, each such Client has been informed of the risk characteristics of Project Bonds.

12 Cooperation with EIX

12.1 In dealing with EIX, its directors, officers, employees, agents and representatives, Members shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.

12.2 In particular, without prejudice to the above, and the legal conditions relating to professional secrecy of Members, each Member shall:

- (i) Provide full and prompt responses to all requests for information by EIX in respect of business conducted on EIX's Primary and Secondary Markets or business related thereto and provide access to all relevant books, records, audio logs and other forms of documentation; and
- (ii) Notify EIX promptly of any matter which may reasonably be expected to be a matter of concern to EIX in the context of its relationship with such Member, including (without limitation) any corporate action or other event that may cause such Member to cease to be in compliance with this Part. This duty of disclosure shall arise as soon as the Member becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.

13 No Abusive or Misleading Conduct

13.1 In conducting business for itself or on behalf of its Clients, a Member must not engage in or attempt to engage in Insider Dealing or Market Manipulation and, in particular, must not engage in, knowingly facilitate or fail to take reasonable steps to prevent:

- (i) Any action or any course of conduct that has the effect, or may be expected to have the effect, of artificially and/or abnormally moving the price or value of any Admitted Financial Instrument or any instrument underlying an Admitted Financial Instrument or the level of any index of which an Admitted Financial Instrument is a component;
 - (ii) Entering artificial orders or otherwise entering into or causing any artificial Transaction;
 - (iii) Reporting a fictitious Transaction or any other false data to EIX or causing such data to be input into the EIX Primary or Secondary Market platforms;
 - (iv) Any action or any course of conduct that creates or may reasonably be expected to create any false or misleading impression as to the market in, or price or value of, any Admitted Financial Instrument or any other unfair trading conditions;
 - (v) Any other action or any other course of conduct that may damage the integrity and the transparency of EIX; or
 - (vi) Agreeing or acting in concert with, or providing any assistance to, any Investor (whether or not a Member) with a view to or in connection with any action or course of conduct referred to in paragraphs (i) to (v) above.
- 13.2 If a Member becomes aware of any action or course of conduct taken by a Client or by a Responsible Investor or an individual trading through a Responsible Investor which is or appears to be inconsistent with the requirements of this Rule, it shall report it promptly to EIX. Each Member should ensure that it has adequate controls and procedures to identify activity by its Clients or by or through its Responsible Persons which might be inconsistent with the requirements of this Rule.

14 Internal Controls

- 14.1 A Member shall set up and maintain an appropriate system of internal controls, which ensures that the Member continuously complies with all requirements.
- 14.2 The system of internal controls shall contain internal procedures specific to the Member's capacity on EIX. These procedures shall be documented and updated on a regular basis. Where a Member executes business on behalf of Clients it must have adequate controls and procedures.

15 Retention of Information

- 15.1 A Member shall maintain for a period of five years records of:
- (i) Automatic screening parameters and modifications thereof, where applicable, as well as rejected orders;
 - (ii) Orders, arranged chronologically;

- (iii) Transactions and, if applicable, the settlement and custody of Securities traded on EIX; and
- (iv) All records maintained pursuant to this Rule shall be available for inspection by EIX within the scope of its controls.

16 Finalisation of Trades

- 16.1 Following the execution of a Trade on EIX, the Member must ensure settlement (payment) of each Trade occurs, within the settlement period. The settlement must be executed in the denominated currency.
- 16.2 Where it is found that a trade executed on EIX is not settled by the agreed settlement date, EIX shall:
- (i) Seek provision of all relevant information concerning the settlement fail from the Members involved in the trade;
 - (ii) Support the counterparty to initiate proceedings for breach against the Member responsible for repeated and systematic settlement fails, without prejudice to any obligations for compensation;
 - (iii) EIX has an obligation to protect the integrity of the financial markets and may impose a suspension of membership due to a member's failure to settle trades.

Part Four: Measures in Case of Violation of the Rules and Regulations

17 Alleged Violation

17.1 An alleged violation by a Member of an obligation shall be dealt with in accordance with the following provisions.

17.2 In the case where a violation by a Member constitutes a threat to the fair, orderly and efficient functioning of EIX, or upon instruction of the Competent Authority, EIX may take immediate measures to protect the market, including suspension of all or some of such Member's trading rights.

18 Procedure

18.1 For the examination of an Alleged Violation, EIX:

- (i) Requires the Member to provide any information, copies of records and documents that may be relevant for the examination of the Alleged Violation;
- (ii) Requires any Member to procure the attendance of any of its directors, officers, employees, agents and representatives at a specified time and place, at either the offices of EIX or those of the Member, in order to answer questions or provide explanations that may be relevant for the examination of the Alleged Violation.

18.2 EIX shall use any information obtained exclusively for any related arbitration or court proceedings and shall not otherwise disclose such information except:

- (i) To the Competent Authority;
- (ii) When otherwise required by applicable law and regulation; or
- (iii) Pursuant to exchange-of-information arrangements with other exchanges or clearing houses, provided that these arrangements are bound by an equivalent confidentiality undertaking

18.3 When there is an Alleged Violation EIX shall make a written report. This report shall contain the findings of EIX and a reference to the Rule allegedly breached by the relevant Member.

18.4 EIX shall send this report upon completion to the relevant Member and to the Competent Authority. EIX shall give the relevant Member an opportunity to present its response in writing within two weeks, unless otherwise specified, after receiving the report.

Glossary

Approval Committee	Committee that approves Pilots, Members, Price Discovery Applications, Bond Listing Applications and final approvals on IBOs and Listings.
All Or Nothing (AON)	The order filling type used during Auctions.
Authorised Trader	Authorised named trader who will access the Platform on behalf of their firm.
Bond Listing Application (BLA)	Application to list a pre-existing bond in part or whole on the Secondary Market.
Central Counterparty	The entity or entities appointed by EIX to act as counterparty to Trades executed on EIX Secondary Market and provide clearing and settlement services.
Clearing Rules	The rules as set out in EIX's designated Central Counterparty's clearing rulebook
EEA	The European Economic Area.
ESMA	European Securities and Markets Authority. Sets out the compliance and regulatory requirements for bonds.
EIX	Estates and Infrastructure Exchange
EIX Platform	The EIX Trading Platform (including without limitation any hardware, software and/or communications link furnished by the Operator as provided and varied from time to time) operated by Operator as provided and varied from time to time in Operator's discretion and services provided in relation to it. The above is defined under European Economic Area (EEA) legislation as a Multilateral Trading Facility.
Eligibility Criteria	The criteria for eligibility for membership of EIX as set out in the Member Rules
Erroneous Trade	A Trade which EIX believes is erroneous or invalid, or may impair the integrity of the EIX Platform
Fees	The fees applicable to the transactions as set out in the Fee Schedule
FCA	Financial Conduct Authority
FCA Register	Register of regulated entities that may act as Investors and Pilots
FCA Rules	The FCA Handbook of rules and guidance
FSMA	The UK Financial Services and Markets Act 2000.
IBO	Initial Bond Offering

Insolvency Event	An order being made or resolution being passed for the winding up of the Member (other than voluntarily for the purposes of solvent amalgamation or restructuring), or if an administrator, administrative receiver or receiver is appointed in respect of the whole or any part of the Members assets or business, or if the Member makes any composition with its creditors or takes or suffers any similar or analogous action in consequence of debt (or equivalent action is taken in relation to the Member in any other jurisdiction).
Instrument	Instrument refers to Project Bonds only
Liquidity Provider	<p>There are two categories of Liquidity Provider:</p> <ul style="list-style-type: none"> • Primary Liquidity Providers (PLP) buy inventory on the Primary Market with the express purpose of selling at a profit on the Secondary Market. • Secondary Liquidity Providers (SLP) provide bid and offer prices on the Secondary Market in order to collect inventory and sell at a bid/ask spread.
Liquidity Provider Addendum	An addendum to a Member Agreement between EIX and a Liquidity Provider relating to use of the EIX Platform and other services by Liquidity Provider(s) in fulfilment of the requirements of the Liquidity Provider Scheme.
Member	An entity that submits an application and is accepted as trading entity on the Primary and Secondary Markets, or just the Secondary Market.
Member Agreement	The contract between a Member and EIX/Operator
Member Notice	Any notice published or issued by EIX, concerning Rule or policy amendments, or platform or surveillance parameter changes, which will be emailed or copied to all Members and displayed on the EIX website
MiFID II	The European Parliament and Council Directive on Markets in Financial Instruments (No.2004/39/EC).
Operator	Aquis Technologies Ltd, a company incorporated in England and Wales under company number 07909192 whose registered office is Palladium House, 1-4 Argyll Street, London W1F 7LD, and who is authorised by the Financial Conduct Authority (FCA) under firm reference number 595785.
Order	Means a buy or sell limit order submitted onto EIX Platform by a Member
Pilot	A regulated corporate finance firm that has applied to EIX, been accepted by the Approval Committee and entered into the Pilot Register
Pilot Register	The official register of Pilots who have applied to and been accepted by EIX.

Platform	The EIX Trading Platform (including without limitation any hardware, software and/or communications link furnished by the Operator as provided and varied from time to time) operated by Operator as provided and varied from time to time in Operator's discretion and services provided in relation to it. The above is defined under European Economic Area (EEA) legislation as a Multilateral Trading Facility.
Price Discovery Application (PDA)	The application form to be filed by Pilots seeking a fundraise for a project through the Primary Market.
Price Discovery Committee	The Independent Committee that determines the target coupon rate for projects seeking funding through the Primary Market. Details of the Committee are available upon request.
Price Discovery Members	A subset of Primary Market Members who agree to provide indicative pricing during Price Discovery.
Primary Market	The periodic auction platform on which new bonds are offered, order book is created and algorithmic matching function is run. It is run by the Operator on behalf of EIX.
Primary Market Members (PMM)	Members that are approved to participate in Primary Market auctions and fund new bond issuances.
Secondary Market	The periodic auction platform on which existing bonds are offered for sale, order book is created and algorithmic matching function is run. It is run by the Operator on behalf of EIX.
Secondary Market Catalogue	The catalogue of all Instruments on the Secondary Market. The full Secondary Market Catalogue is uploaded during each Secondary Market Auction.
Secondary Market Members (SMM)	Members that are approved to participate in Secondary Market auctions and trade positions in existing bonds.
Trade Report	Report that sets out all details of a trade on the secondary market. Must be filed within 15 minutes of trade execution. Required under MiFID II.
Transaction Report	Report that set out all details of a transaction on the Primary and Secondary Markets. Must be files within one day of transaction. Required under MiFID II.