

TeraExchange, LLC established these Liquidity Provider Guidelines (“Guidelines”) for its Participants that seek to offer liquidity to others in USD/Bitcoin Non-Deliverable Forwards Transactions (“USD/Bitcoin Swaps”).

In order to qualify as a “Liquidity Provider” in USD/Bitcoin Swaps, a Participant shall follow with these Guidelines, as well as all other the obligations of TeraExchange, including the Exchange User License Agreement and Rulebook.

LIQUIDITY PROVIDER COMMITMENTS

- A Liquidity Provider shall publish and maintain two sided indications of interest (“IOI”) for each tenor it is registered for eighty-five percent (85%) of each daily Trading Hours. Participants Hit/Lift the IOI to trigger a Request for Quote (“RFQ”) at the IOI price.
- While an IOI is non-binding, a Liquidity Provider is expected to act in good faith by entering prices and sizes that are indicative of its interest. Accordingly, a Liquidity Provider shall not enter prices and sizes with the intention of deleting or otherwise amending them before execution.
- The Liquidity Provider that displays the best priced IOI will receive the first look at any RFQ initiated by a Participant that Hits/Lifts that IOI. If there are multiple Liquidity Providers displaying the same IOI, each Liquidity Provider will simultaneously receive the same RFQ from the Participant.
- While TeraExchange acknowledges that market conditions may change after an IOI generates an RFQ, a Liquidity Provider shall conduct its trading activity on TeraExchange in good faith and in support of an orderly marketplace. If a Liquidity Provider executes an order that is away from its IOI, the Liquidity Provider shall use best efforts to stay within a commercially reasonable range of the initial IOI that generated the RFQ.
- In addition to interacting with IOI pages, all Participants have the ability to send directly to one or more Liquidity Provider(s) a RFQs. Liquidity Providers shall also be the only recipients of regular Participant RFQs not initiated via the IOI screens.
- Liquidity Provider acknowledges that its activity on TeraExchange, including the posting of IOI, and all responses to RFQs, are captured in TeraExchange’s audit trail and subject to review.
- A Participant can elect to register with TeraExchange as a Liquidity Provider in one or more tenors during normal Trading Hours, which is between 7:30 am and 5:00 pm ET, or such other trading sessions TeraExchange establishes.
- In order to qualify as a Liquidity Provider, the Participant is required to open and maintain a custodial account with the TeraExchange authorized central third party custodian for the purpose of managing its margin obligations related to its transactions in USD/Bitcoin Swaps.
- These Commitments are measured on a calendar quarter and renew automatically unless the Liquidity Provider withdraws with written notice to TeraExchange thirty (30) days prior to the end of the quarter.

PARTICIPANT NOTICE 2014-02

October 3, 2014

Summary of Content

Liquidity Provider Guidelines:
USD / Bitcoin Non-Deliverable
Forward Transactions

For questions regarding this
Notice please contact
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TRANSACTION FEES

A Liquidity Provider shall have a reduced transaction fee schedule. TeraExchange may amend the reduced fee schedule from time to time, subject to providing reasonable notice to the Liquidity Providers.

LIQUIDITY PROVIDER CONTACT PERSON

A Liquidity Provider shall appoint and identify to TeraExchange one or more persons responsible for Liquidity Provider functions during the Trading Hours. Each Liquidity Provider shall ensure that such person(s) possess adequate knowledge of the USD/Bitcoin Swaps market and that a sufficient number of contact persons are appointed to enable the Liquidity Provider to fulfill its obligations under these Guidelines.

AMENDMENTS

Except as otherwise specified herein, any amendments to these Guidelines shall be made in writing by TeraExchange.