

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 Forwards, 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 markets for each tenor it is registered for eighty-five percent (85%) of the daily Trading Hours.
- The Liquidity Provider is expected to act in good faith by entering prices and sizes that are executable. Accordingly, a Liquidity Provider shall not enter prices and sizes with the intention of deleting or otherwise amending them before execution.
- While TeraExchange acknowledges that market conditions may change, a Liquidity Provider shall conduct its trading activity on TeraExchange in good faith and in support of an orderly marketplace.
- In addition to interacting with maintaining orderly two-way markets in the order book for 85% of the trading day, all Liquidity Providers have the obligation to respond to RFQ’s in a commercially reasonable manner.
- Liquidity Provider acknowledges that its activity on TeraExchange, including the posting of orders in the Order Book 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 Forwards.
- 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 2016-01**

**April 10, 2016**

### **Summary of Content**

Liquidity Provider Guidelines:

USD / Bitcoin Non-Deliverable  
Forward Transactions

For questions regarding this  
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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 Forward 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.