



Trading Procedures

1.0 Trading System

On 25 March the Cayman Islands Stock Exchange (the “Exchange” or “CSX”) went live with its CSX Xetra trading platform.

Unless otherwise prescribed by the Exchange all securities shall be traded using the CSX Xetra trading platform.

XETRA® is Deutsche Börse’s international cash market platform for trading equities, bonds, warrants, exchange traded funds and other instruments, operated by Deutsche Börse.

The CSX Xetra trading platform is a separate back-end platform that operates within the overall XETRA® trading platform, allowing the Exchange to introduce any changes necessary to adapt the platform to its market needs and to have its own trading calendar.

The trading system is order-driven.

Access to CSX Xetra is either through the XETRA® J-Trader platform, which is a standard web browser, or through FIX protocol (Financial Information eXchange protocol), which is an industry-driven and international messaging standard. The XETRA® FIX Gateway offers simple and flexible access to all XETRA® markets based around the world. The CSX will be accessible through the FIX Gateway under the market information code ‘XCAY’.

2.0 Broker Members

Only Broker Members and their registered representatives duly admitted to the Exchange may use the Exchange’s trading facilities and access the CSX Xetra trading platform. Members may trade on their own behalf or on behalf of their clients.

Members will be assigned a 3 letter name/mnemonic and will receive a minimum of 2 tokens and a unique login and password required to access the CSX Xetra trading platform. Each Broker Member's Administrator will be then responsible for granting access to the trading platform to individual users within the Broker Member, ensuring that only registered representatives of the CSX will be granted a password and a user ID for trading. Further tokens may be provided at the discretion of the Exchange.

Broker Members shall advise the Exchange of any change to their Administrator.

Each user (Administrator and Registered Representative) shall change their password the first time they log into the CSX Xetra trading platform.

The Administrator shall immediately cancel the user name and password of any Registered Representative who ceases to have the role of Registered Representative in their organisation.

3.0 Securities which may be traded

Broker Members may trade any security that is listed and admitted for trading on the CSX Xetra trading platform.

3.1 Specialist Securities

Prior to entering a buy order for Specialist Securities into the electronic trading system a Broker Member shall ensure that its client qualifies as a qualified investor, as defined in the Exchange's listing rules, and has signed a qualified investor form as prescribed by the Exchange from time to time.

Specialist Securities are defined as any specialist debt securities, insurance linked securities, derivative warrants, corporate or sovereign debt securities and the equity securities of specialist companies listed as such from time to time on the Exchange's website.

4.0 Trading procedures

Broker members who wish to trade CSX listed securities will need to have a connection to the CSX XETRA trading platform. This connection is established upon admission as an Exchange Broker Member. Broker Members will need to use the CSX Xetra in accordance with the latest Xetra J-Trader User Manual, available on the Member section of the CSX website.

Trading can take place either on or off the order book.

Off order book trades (OTCs) must be entered during any part of the trading day using the OTC functionality of the CSX Xetra trading platform.

In the case of a transaction between Broker Members agreed through telephonic or other communications off the CSX Xetra trading platform, all transactions done under the rules of the Exchange must be confirmed between Broker Members via the CSX Xetra trading platform as soon as practicable after their execution but no later than the end of the business day. Trades executed after the end of a trading day shall be confirmed via the CSX Xetra trading platform at the start of the following trading day.

Trading on the CSX Xetra platform is anonymous with Broker Members not knowing prior to trade execution the identity of the Broker Member entering an order.

5.0 Trading Sessions

There are three trading session on each trading day: a pre-trading session, a main trading session and a post trading session.

5.1 Trading hours

Trading hours for the Cayman Islands Stock Exchange are as follows:

Pre-trading:	6.30 a.m. to 7 a.m. Cayman Islands time (11.30 a.m. to 12 p.m. GMT)
Opening auction:	7 a.m. to 7.05 a.m. Cayman Islands time (12 p.m. to 12.05 p.m. GMT)
Continuous trading:	7.05 a.m. to 12:25 p.m. Cayman Islands time (12.05 p.m. to 5.25 p.m. GMT)
Closing auction:	12.25 p.m. to 12.30 p.m. Cayman Islands time (5.25 p.m. to 5.30 p.m. GMT)
Post trading:	12.30 p.m. to 12.45 p.m. Cayman Islands time (5.30 p.m. to 5.45 p.m. GMT)

The trading system is closed on all statutory bank holidays of the Cayman Islands in accordance with the CSX Trading Calendar displayed on the CSX website.

The hours may be shortened or lengthened should the Exchange deem it necessary to do so. These hours may also be shortened if a sufficient number of Broker Members feel shorter trading hours would improve liquidity and the prompt matching of orders.

5.2 Pre-trading Session

The pre-trading session starts at 6.30 am Cayman Islands time (11.30am GMT). During this session, Broker Members may enter orders in preparation for the main trading or revise or delete their existing orders. The order book is not open for trading during this session so orders will not be matched until the beginning of the main trading session.

5.3 Main Trading Session

The main trading session starts and ends with a five minute auction during which orders are matched on the principle of maximum executable volume.

5.3.1 Opening auction

All orders outstanding from the previous trading day or entered during the pre-trading session can participate in the opening auction. During the auction Broker Members will be able to enter orders as well as revise or delete their existing orders. Market and limit orders are matched to determine an auction price on the principle of the maximum quantity of securities that can be traded. Where more than one price is possible the limit with the lowest surplus is used. At the end of the auction the system will generate an opening price and Broker Members will be sent an execution confirmation informing them of the order price, volume and time of execution.

5.3.2 Continuous trading session

At the end of the opening auction continuous trading commences at 7.05 am Cayman Islands time (12.05 GMT). During this session the order book is open. Orders entered by Broker Members are immediately compared with any orders in the order book and either matched or entered into the queue.

Orders in the queue are considered for matching in price/time priority. Buy orders with higher limits are executed before orders with lower limits and sell orders with lower limits are executed before orders with higher limits. Where orders share the same limit the time priority is applied prioritising orders that were entered first.

Where only market orders are in the order book the reference price is used for execution. Market orders take priority over limit orders.

Broker members will be sent confirmation for orders matched during this session.

5.3.3 Closing auction

At the end of the continuous trading session, the trading system will trigger an auction process to generate a closing price. All orders outstanding from the continuous trading session can participate in the closing auction.

If there are no trades for a security during the closing auction the closing price will be the last traded price prior to the commencement of the closing auction.

If there are no trades for a security during a trading day the closing price will be that of the previous trading day.

5.4 Post trading session

The post trading session follows the main trading session and starts at 12.30pm Cayman Islands time (5.30 p.m. GMT) and lasts for fifteen minutes. During the post-trading session Broker Members may enter new orders and amend or withdraw orders but matching will not take place until the close of the session. The order book is closed during this session. All orders placed or modified during this session will be executed at the commencement of the next trading day. Good for the day orders if not executed will be deleted at the end of the trading day.

5.5 Reference price

The last price determined for a security during an auction process or during continuous trading is used as reference price.

5.6 Volatility interruptions

The Exchange shall set volatility limits for each security admitted to trading.

The trading system shall automatically cause a volatility interruption and suspend trading for 2 minutes plus a random period of maximum 30 seconds if orders are entered which breach the volatility limits.

The order book shall be open during this suspension but no matching will take place.

If at the end of the automatic suspension period the orders are back within the volatility limits then continuous trading will be resumed.

If orders still breach the volatility limits an extended volatility interruption is triggered and trading will be further suspended until manually cleared by the Exchange.

The Exchange shall lift the suspension at its absolute discretion.

6.0 Orders

The trading system automatically assigns all orders entered a time and number. Each security is assigned a minimum order size. Orders are prioritised for matching in accordance with the price and the time of entry priority.

6.1 Order types

The following basic order types are accepted by CSX Xetra:

- Market Orders - these are unlimited orders that can be matched at the next price established; and
- Limit Orders – these are orders that will be matched at least at their specified limit.

Market and Limit orders may have the following:

- validity constraints, where the validity of an order may be restricted for a specified period:
 - i. good for the day – order only valid during the current trading day;
 - ii. good till date – order only valid until a specified date;
 - iii. good till cancelled – order only valid until either executed or deleted.
- trading restrictions, where the validity of an order may be restricted to:
 - i. opening auction only – order only valid during an opening auction;
 - ii. closing auction only – order only valid during a closing auction;
 - iii. auction only – order only valid during any auction.

During continuous trading orders may have the following conditions:

- Fill or kill (FOK) - if these orders cannot be fully executed immediately, the order is rejected.

- Immediate or cancel (IOC) - these orders are executed immediately to the maximum possible extent. Non executed parts are deleted.
- Book or Cancel (BOC) (limit orders only) – these orders are placed in the order book to provide liquidity and will be rejected if it is possible to execute them immediately. BOC orders cannot participate in auctions and as such are only entered during the continuous trading session.

Other order types are:

- Stop Market and Stop Limit Orders - these orders are not visible to the market when they are entered as they are triggered and entered in the order book when the price of a security reaches a price limit (stop limit).
- Iceberg Orders – used to allow for large orders to be entered without the full volume being visible. The full volume and the disclosed quantity must be specified. The peak volume is the only proportion of the total order that is visible in continuous trading. When this volume is completely executed a new peak is entered until the full volume is exhausted. The system places restrictions on the minimum total quantity and the minimum disclosed amount. Iceberg orders are good for the day and will be deleted at the end of the trading day.
- Strike Match Order.

6.2 Order Matching

The matching of an order in CSX Xetra trading platform shall constitute a contract between the trading parties.

6.3 Amendment and withdrawal

Broker Members are able to amend or withdraw any orders which have not been executed (matched).

7.0 Trading Currency

The Exchange will designate a trading currency for each listed security which, unless otherwise indicated, will be the currency of the listed security.

8.0 Trade reporting and publication

All trades executed on the Exchange will be recorded in the CSX database.

Details of trades executed through the CSX Xetra trading platform will be published immediately to Broker Members that were a party to the trade and will be published on the CSX website within 15 minutes of trade execution.

Details of OTC trades reported to the electronic trading system will be published as though the trade had been executed on the electronic trading system at the time the report is received.

9.0 Suspension of trading

The Exchange has the right to suspend trading if it determines that the orderly conduct of trading is being or is likely to be prevented by reason of force majeure, natural disaster or other political upheaval or economic or financial crises occurring in the Cayman Islands or elsewhere.

The Exchange also has the right to suspend trading in a particular security during the normal trading day if it deems so necessary.

Where a security has been suspended from trading all outstanding orders will be deleted and no further orders in that security will be entered until the suspension is lifted.

Outstanding orders for a specific security will also be deleted in case of dividend payments and corporate actions prior to the commencement of trading on the first relevant trading day.

10.0 Trade cancellations

The Exchange may in exceptional circumstances and at its absolute discretion, responding for instance to a regulatory request, cancel a trade, as long as the cancellation is requested before the end of the trading day.

11.0 Trading Fees

The Exchange does not currently charge a trading fee for each trade executed, although it reserves the right to do so in the future at its discretion.