

Amended and restated 9th January 2017

This Circular No 1: Trading Mechanics for Auctions is issued under the Elixium Rules, forms part of those Rules and is addressed to all Participants.

1. Definitions, Interpretation and Construction

1.1 In this Circular unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Commencement Time” means the time specified by Elixium either generally or specifically in respect of an Auction;

“Expiry Time” means unless otherwise stated on the Elixium Platform, 30 minutes after the Commencement Time;

“Fixed Rate” shall have the meaning specified in paragraph 2.3 below; and

“Un-Matched” means the opposite of Matched.

1.2 Capitalised terms used herein and not otherwise defined herein shall bear the meaning set out in the Elixium Rules or the Prescribed Documentation as the case may be.

1.3 A Participant that wishes to sell collateral and raise cash shall be known as Seller of Securities for the purposes of the Elixium Transaction and a Participant that wishes to buy collateral and invest cash shall be known as the Buyer of Securities for the purposes of the Elixium Transaction.

2. Auctions Rule 6.5

The following additional provisions shall apply to an Elixium Transaction which is initiated through an Auction:

2.1 An Auction may be a scheduled Auction which shall take place on such days and at such times as notified by Elixium via the Elixium Platform or an ad-hoc Auction which shall take place on such day and time as notified by Elixium via the Elixium Platform.

2.2 A Participant that wishes to enter into an Elixium Transaction through an Auction shall submit an Order to be the Seller of Securities or the Buyer of Securities as the case may be, against:

- (i) a predefined Financial Product Specification (which for the avoidance of doubt shall include a predefined settlement method which specifies the applicable bilateral settlement mechanics, CCP or Triparty Agent as the case may be) and
- (ii) with (a) a specific start date (Purchase Date) which is likely to be T+0,T+1, T+2 or such other date(s) as specified by Elixium on the Elixium Platform; and (b) a specific end date (Repurchase Date) as specified by Elixium on the Elixium Platform.

2.3 The Auction shall take place at a Fixed Rate specified by Elixium. The Fixed Rate shall be determined by Elixium in its absolute discretion and is not a representation by Elixium that all or any market or any bond, equity, basket, or cash deposit is trading at this level or at all, it being recognised that no Participant is bound to participate in an Auction and that each Participant shall satisfy itself as to whether or not it wishes to trade at the Fixed Rate.

2.4. An Order may only be submitted at or after the Commencement Time and prior to the Expiry Time. Once submitted and unless Matched an Order may be cancelled at any time until the Expiry Time. Until further notice an Order may only be amended by cancelling the Order and submitting a new Order which will not have the time priority of the original Order but instead will have the time priority of the newly submitted Order.

2.5 As this is a Fixed Rate Auction, Orders shall be Matched on a time basis with the oldest Order being Matched first. Matching of Orders is however subject to credit being available to both Participants prior to Matching. Where credit is available to both Participants but the amount of credit is not sufficient to result in both Orders being completely Matched, then the Order(s) shall be partially Matched and the un-Matched part of the Order(s) shall remain in the Auction as a reduced Order(s) and shall retain the time priority of the original Order(s). Where credit is available to both parties but the size of the opposite Orders are not identical, then a partial Match shall occur and the un-Matched part of the Order shall remain in the auction as a reduced Order and shall retain the time priority of the original Order.

2.6 Orders shall continue to be Matched until the soonest to occur of (i) all possible Matching; and (ii) the Expiry Time. All un-Matched Orders shall be cancelled by the Elixium Platform immediately following the Expiry Time.

[2.7 An Order which has been submitted in respect of an Auction shall be included in the Central Limit Order Book in the circumstances and in accordance with the mechanics set out in Circular No 4: Trading Mechanics for the Central Limit Order Book.](#)