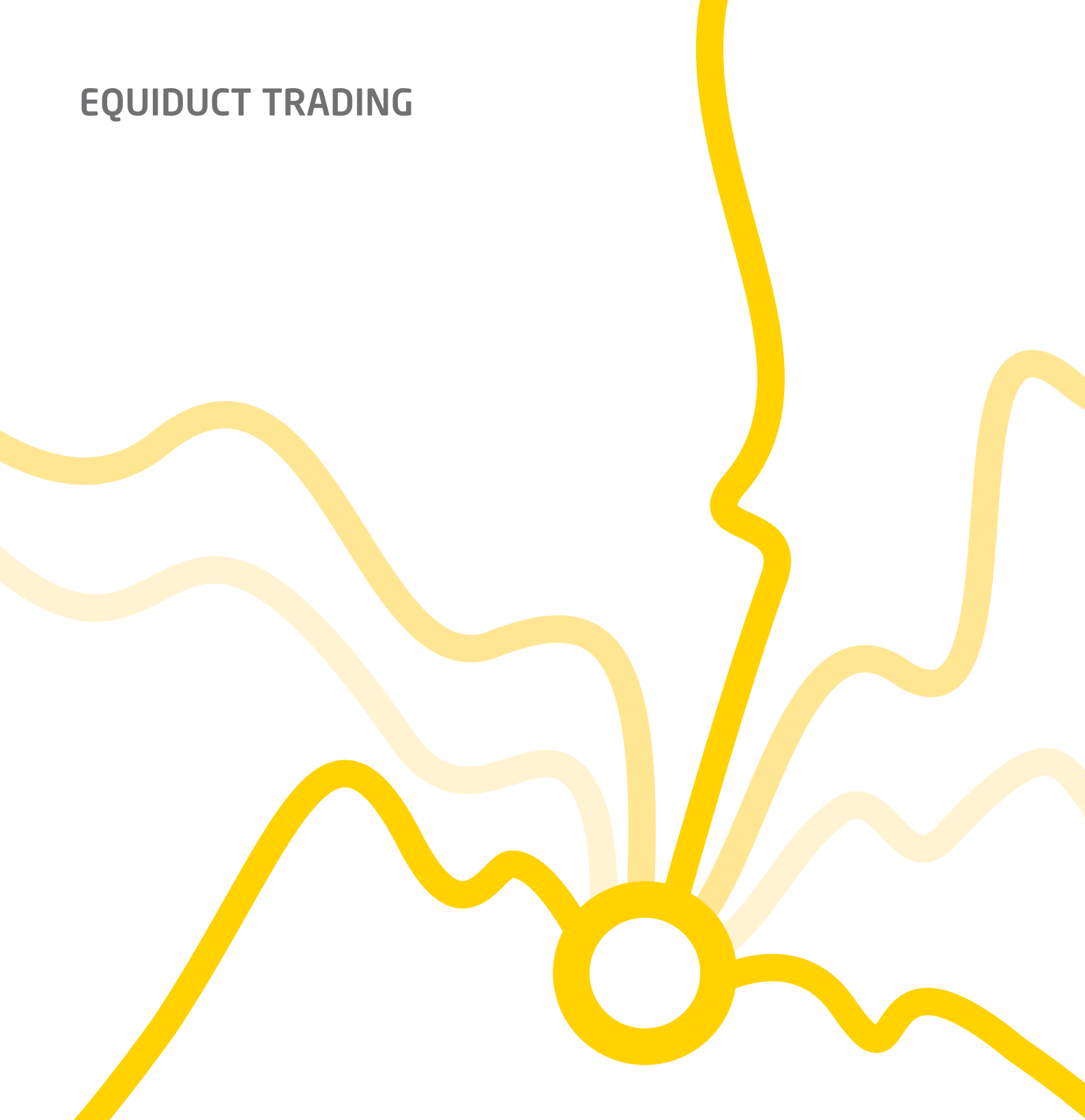


EQUIDUCT TRADING



the flexibility
of choice


Clearing & Settlement

EQUIDUCT TRADING

The background features several thick, wavy lines in shades of yellow and orange, creating a dynamic, flowing pattern across the page.

Use existing connections
to gain a competitive edge.

Maintain your current connections and
cut costs with Equiduct Trading's **flexible
approach to clearing and settlement.**



Thanks to our flexible attitude, you can continue to use your tried and tested **clearing and settlement** mechanisms with Equiduct Trading's PartnerEx and HybridBook market models.

No new system imposed

The current system of clearing and settlement in Europe is in need of considerable improvement, creating as it does several obstacles to establishing the level playing field intended by the Markets in Financial Instruments Directive (MiFID). Imposing a new system on you, however, is not part of our vision here at Equiduct Trading.

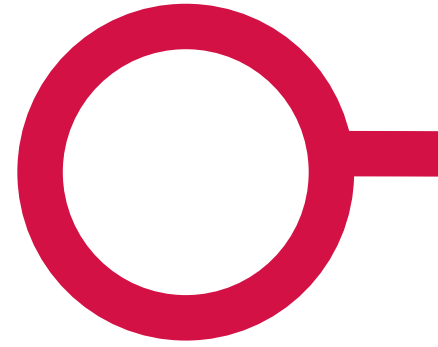
Other new execution services operating in Europe under MiFID are going down this very route. But Equiduct Trading believes that creating yet another system for clearing and settling trades in European stocks won't necessarily help to reduce trading costs in line with the directive. In PartnerEx, we offer a range of options for clearing and settlement, enabling you to choose the most efficient and cost-effective method for each of your transactions.

The HybridBook default option will be based on the existing options available in each domestic market.

So, whether you're placing an order with PartnerEx or making a HybridBook transaction, you needn't sign up for complex and costly new systems. Instead, you can continue to take full advantage of your current connections with clearing houses and settlement depositories.

Profit from predictable costs

Best of all, because the post-trade processing of Equiduct Trading transactions requires that you use only existing clearing and settlement mechanisms, your costs are predictable and known from the outset. All of which helps you to make reliable best execution calculations and stay in line with MiFID.



Like to take a closer look?
Read more about Equiduct Trading's
position on Clearing & Settlement in
our enclosed data sheets.

**HybridBook: using known processes to settle
your trades**

At Equiduct Trading, we want to add value to your trading experience wherever possible. Each HybridBook transaction will clear and settle through the post-trade infrastructure of the instruments home market by default, rather than Equiduct Trading imposing a new clearing and settlement solution. This will ensure that the post-trade cost of a transaction is at least as low as on the local domestic exchange.

By using the local post-trade CCP environment, Equiduct Trading participants will be able to leverage existing clearing member relationships, legal frameworks and connections.

Equiduct Trading will connect to LCH.Clearnet Ltd, LCH.Clearnet SA and Eurex Clearing AG from the launch of our trading services (availability is

dependent on the geographical segment where the instrument is traded). So there's no need to modify your existing clearing and settlement systems to begin using the HybridBook.

An appointed Settlement Agent will enable clearing and settlement through other mechanisms where necessary, and further settlement arrangements will be added as the HybridBook absorbs additional stocks from yet more European markets. Clearing and settlement options for the HybridBook will be constantly monitored and optimised, and we'll also announce online any changes by our clearing house partners to their coverage of stocks.

To find out more, visit our website at www.equiduct-trading.com

- ◀ Equiduct Trading participants will be able to leverage existing clearing member relationships, legal frameworks and connections... ▶



Clearing & Settlement



PartnerEx: tailored, cost-effective settlement

You can also specify your preferred method of clearing and settlement when using PartnerEx, taking advantage of existing arrangements and even choosing an alternative location in which to finalise a transaction more efficiently. The same is also true if you employ our PartnerEx Internaliser solution or operate the ETS system on a white label basis.

All PartnerEx clearing and settlement arrangements are set out prior to trading in the two-way agreement between market maker and order flow provider, effectively reducing risk in your dealings with your business partner. Together you can select the most cost-effective clearing and settlement mechanism for you both,

or you may even elect to bypass the clearing phase altogether, bringing down your post-trade expenditure still further. Moreover, market makers and order flow providers belonging to the same group or under the same custodian may opt to do a book transfer, eliminating clearing and settlement expenses almost entirely.

Whichever route you decide upon for clearing and settling your PartnerEx transaction, you can rest assured that your post-trade processing costs will be as low as – if not less than – those of a transaction made on any of the alternative venues. What's more, you'll have the advantage of being able to plan ahead, as those costs will be determined before trading even begins.

Complete your transactions more efficiently and cost-effectively with **PartnerEx**.



Clearing & Settlement

Keeping your settlement costs down

By allowing you to process transactions using established connections with clearing houses and settlement depositories, Equiduct Trading helps you to keep your post-trade costs down, adding value to your business.

Some clearing providers will offer clearing members settlement netting between transactions executed on Equiduct Trading and those executed on alternative venues involving the same financial instruments. A position bought on Euronext and sold on Equiduct Trading, for example, can be net settled by LCH.Clearnet SA, allowing trading member firms to minimise post-trade processing costs.

Our clearing providers are also expected to take into account the benefit of offsetting positions between the home market and Equiduct Trading when calculating risk margins.

Contact us to reduce your costs immediately

See how simple it is to cut your post-trade processing costs – without having to switch to a different clearing and settlement system. Contact Equiduct Trading now to find out more about how your business can benefit from our flexibility.



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