



OMe-Trading

OMeT Presentation -
May 2025



An aerial photograph of a turbulent ocean surface, showing deep blue and green water with white, frothy whitecaps and churning currents. The texture is highly detailed with many small, overlapping waves and larger, more chaotic eddies.

OMET (Open Market Electronic Trading) Transforms OTC derivatives trading through an advanced electronic platform that matches buyers and sellers directly. The system replaces traditional voice brokerage with automated price discovery and execution, while maintaining flexibility for complex trades.

OMET's architecture ensures equal access and optimal price formation across diverse market participants, combining the efficiency of electronic markets with the customization needed for OTC derivatives.

Key features include real-time credit verification, integration with existing trading infrastructure, and comprehensive audit capabilities. This creates a more liquid, transparent, and efficient marketplace while preserving the relationship-driven aspects essential to OTC trading.



The Three-Phase Trading Process

RFM

1

OMET's Request for Market (RFM) protocol improves on legacy RFQ systems. **OMeT** provides anonymity, preserves liquidity, and prevents information leakage, all within a rules-based environment for fairness.

OMP

2

OMET's Open Market Phase (OMP): All participants can view best price levels and trade among each other on an open and sequential basis. Participants may enter individual orders rather than the two-sided quotes required in RFM. There is an opportunity to upsize within every trade.

VMX

3

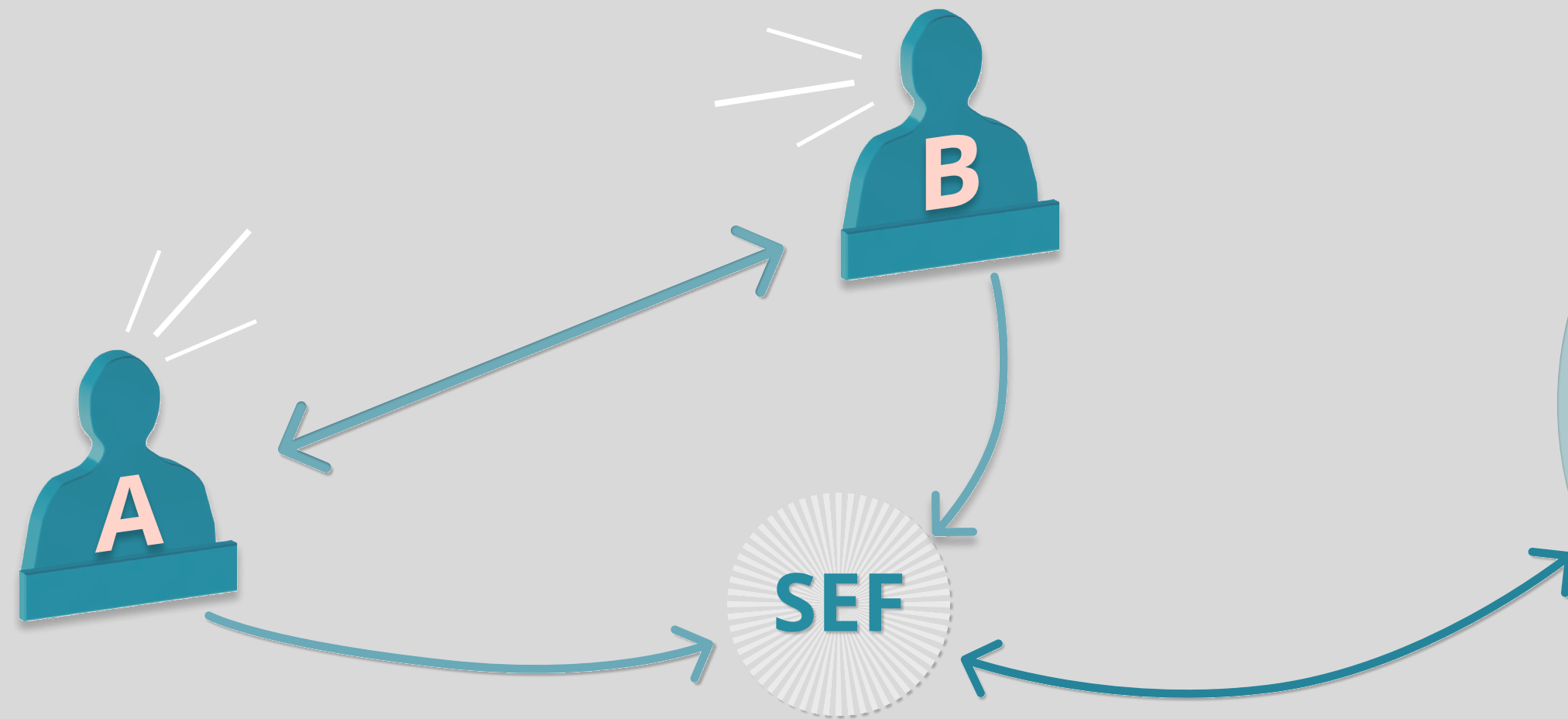
OMET's VolMa-X Phase: When market rates become stagnant, VolMa-X offers a solution through mid-rate trading. **OMeT** generates a mid-market rate derived from the last active bid and offer. Participants may enter orders without revealing their size or direction, with the system matching these orders in time priority at the calculated mid-market rate

The OTC Derivatives Market isn't just ready for change – **it is demanding it.**

The timer-driven three-phase process in **OMeT** delivers multiple market benefits: streamlined price discovery, preserved liquidity pools, expedited transaction processing, and robust protection against information leakage.

Open Market Electronic Trading Group (OMeT) is leading this market transformation.

"INTENT TO CLEAR" (LEGACY MODEL)



PROCESS:

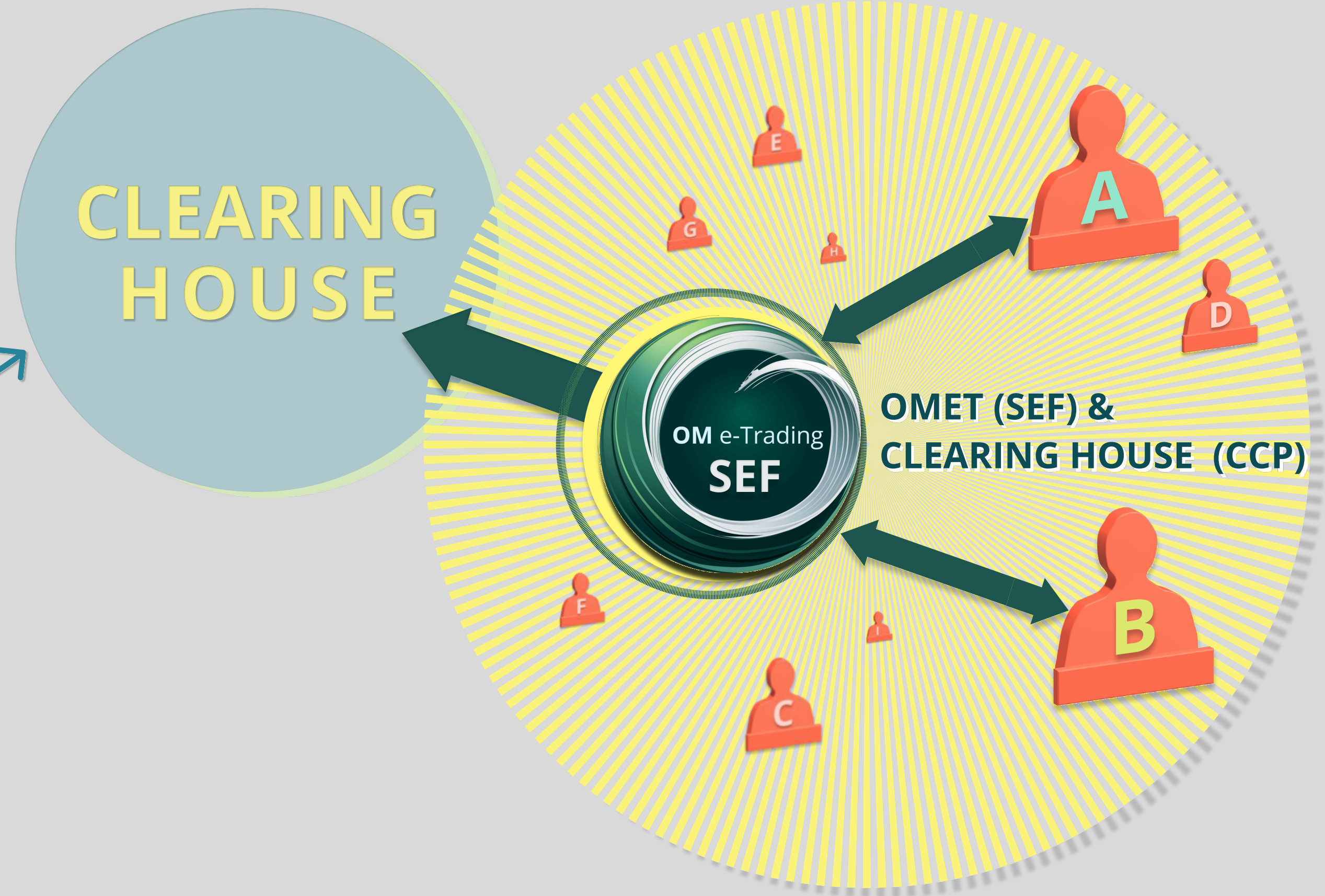
Post-Trade Submission:

The executed bilateral swap is then sent to a clearinghouse with the intent to clear.

CHARACTERISTICS:

- Counterparties know each other.
- Requires extensive bilateral documentation (ISDA, CDEA) between each pair of counterparties.
- If clearing fails, the original bilateral trade's status is ambiguous.
- **Result:** Liquidity remains fragmented, leaving participants unable to secure the optimal price when they lack a direct trading relationship with the counterparty offering it—effectively making them blind to best execution.

OMET - CLEARED SWAPS



OMeT significantly enhances swap market efficiency by enabling swaps to trade with the same ease and liquidity as exchange-traded equities and futures.

OMET - CLEARED SWAPS

PROCESS:

Anonymous Trading via OMET:

Party A and Party B trade anonymously through the OMET platform.

Central Counterparty (CCP) from Inception:

The clearing house is the direct counterparty to both sides from the moment of execution.

CHARACTERISTICS:

Anonymity: Counterparties do not know each other, fostering impartial price discovery.

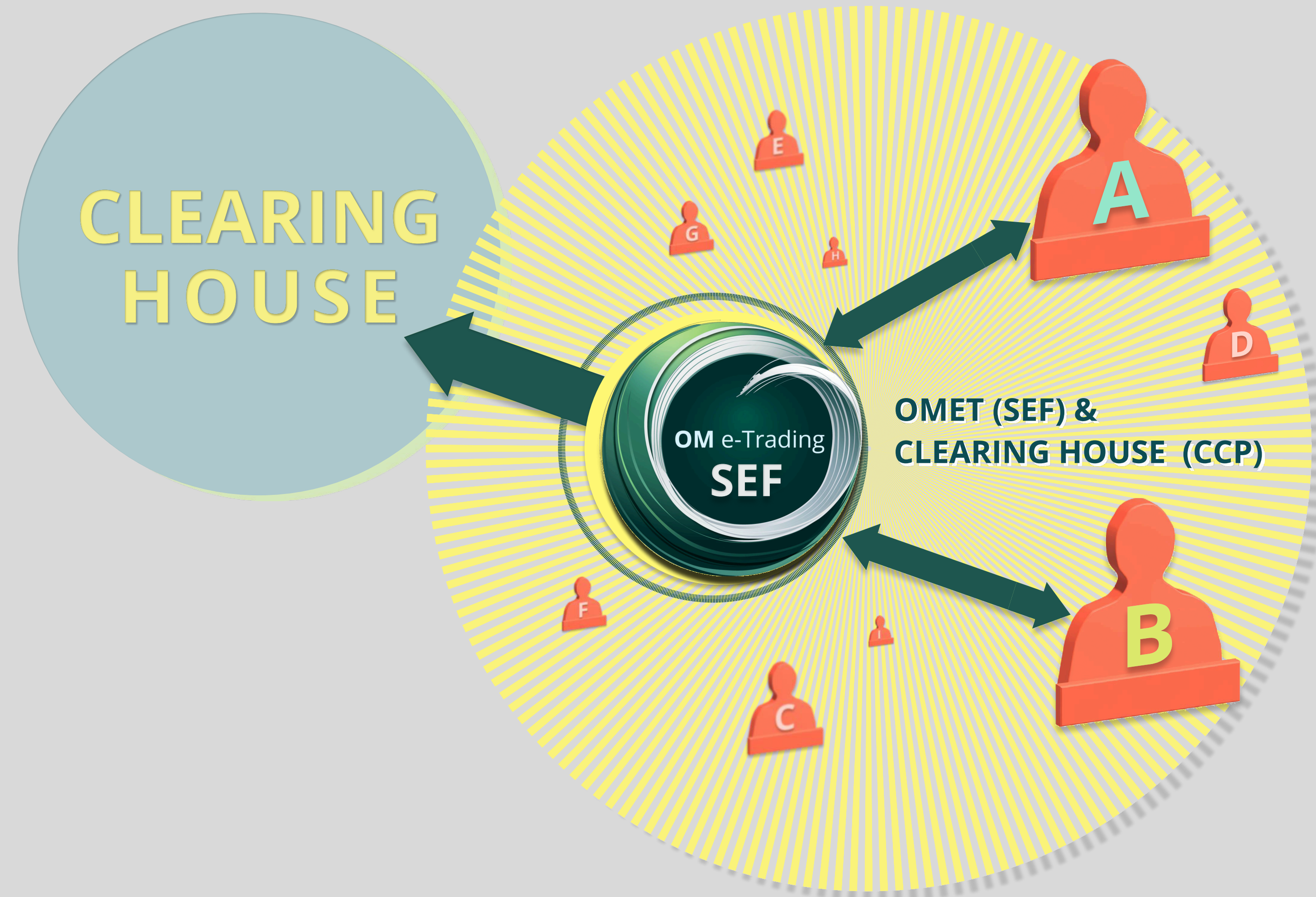
Clearing House as Counterparty: Not a bilateral trade, with the intent to clear; it's a trade with the clearing house.

Simplified Access & Documentation: Eliminates the need for numerous direct bilateral agreements (ISDAs, CDEAs) between end-users and it requires only FCM/self-clearing capability into an eligible clearinghouse.

Enhanced Liquidity & Equal Access for all participants:

Any participant who has established a Financial Clearing Member (FCM) relationship receives approval to trade through the Central Counterparty (CCP) clearing system. Additionally, these participants gain access to the most favorable liquidity, regardless of any previous bilateral trading relationships they may have.

FCMs Empowered & Integrated: FCMs are integrated with **OMeT**, managing client limits and providing pre trade certainty for anonymous trading.



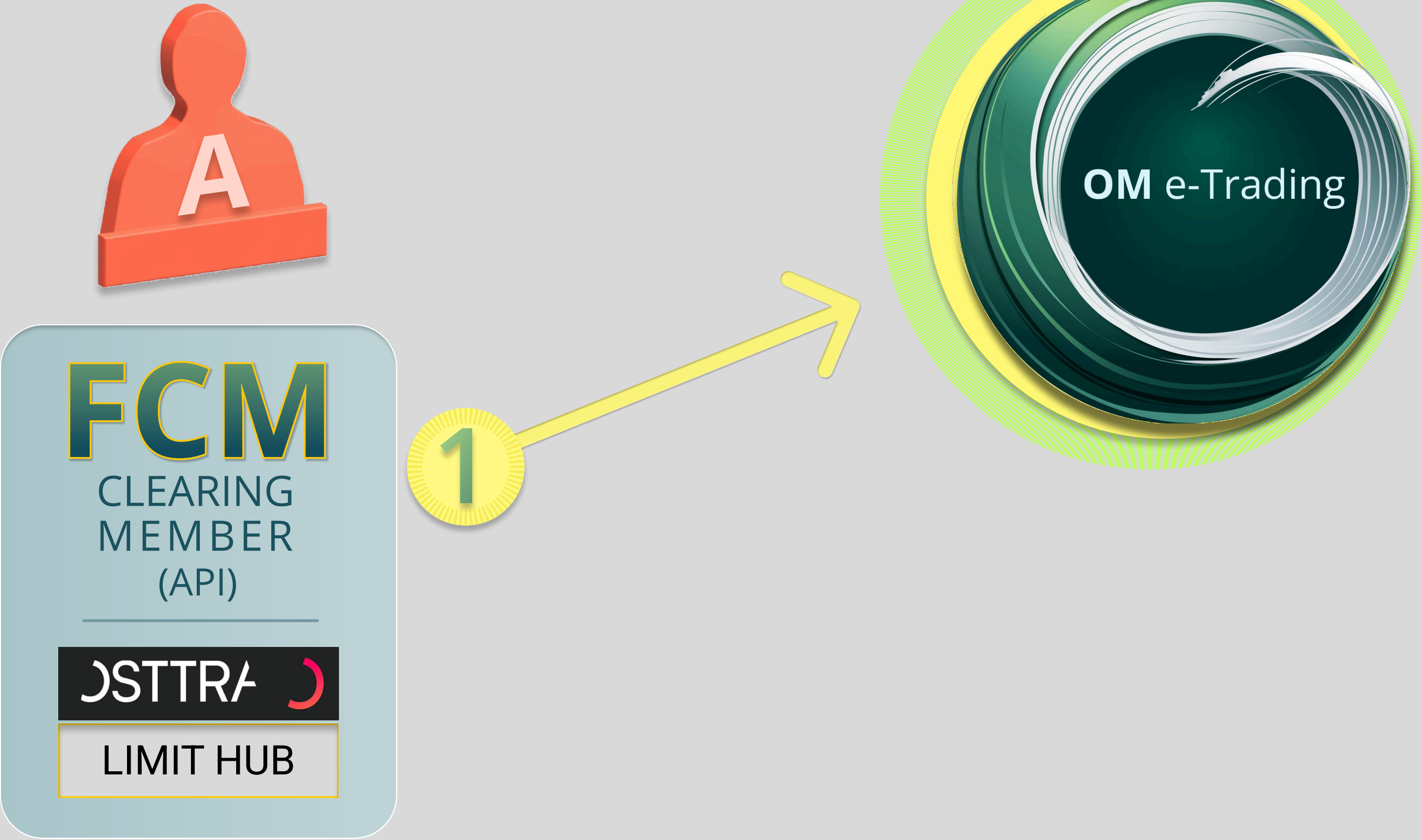
COMPREHENSIVE LIQUIDITY NETWORK:

Uniquely integrated throughout the FCM network, **OMeT** is the only platform that lets clearing firms automatically manage credit limits with clients while delivering pre-trade certainty for anonymous trading.

PRETRADE CERTAINTY

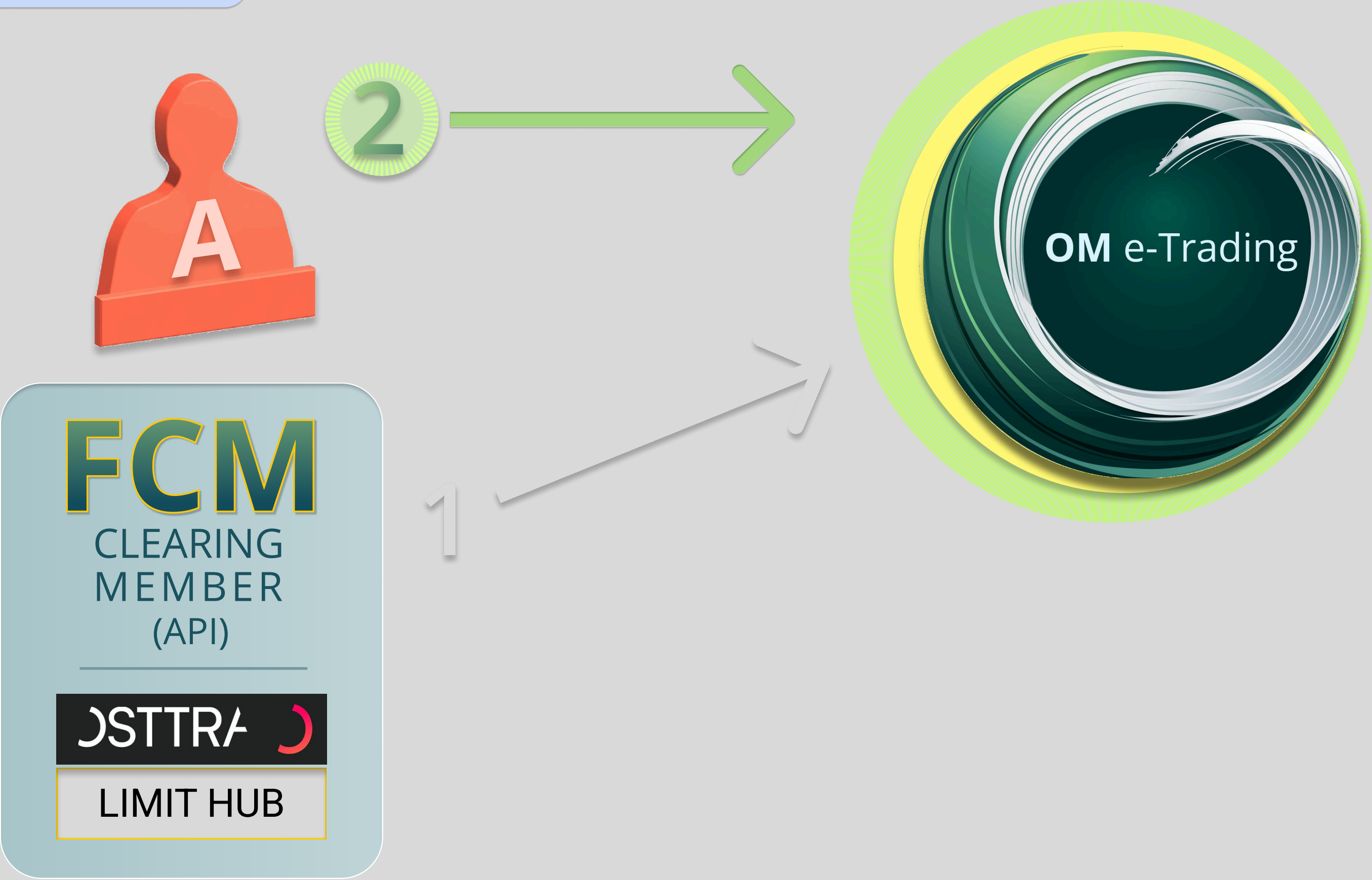
- ORDERS
- TRADES
- LIMITS
- CONFIRMATION

- FCM transmits daily limits, along with approval IDs, to **OMeT** at the beginning of each day.



- ORDERS
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- Traders can enter orders and execute trades on the **OMeT** platform, within the limits provided.



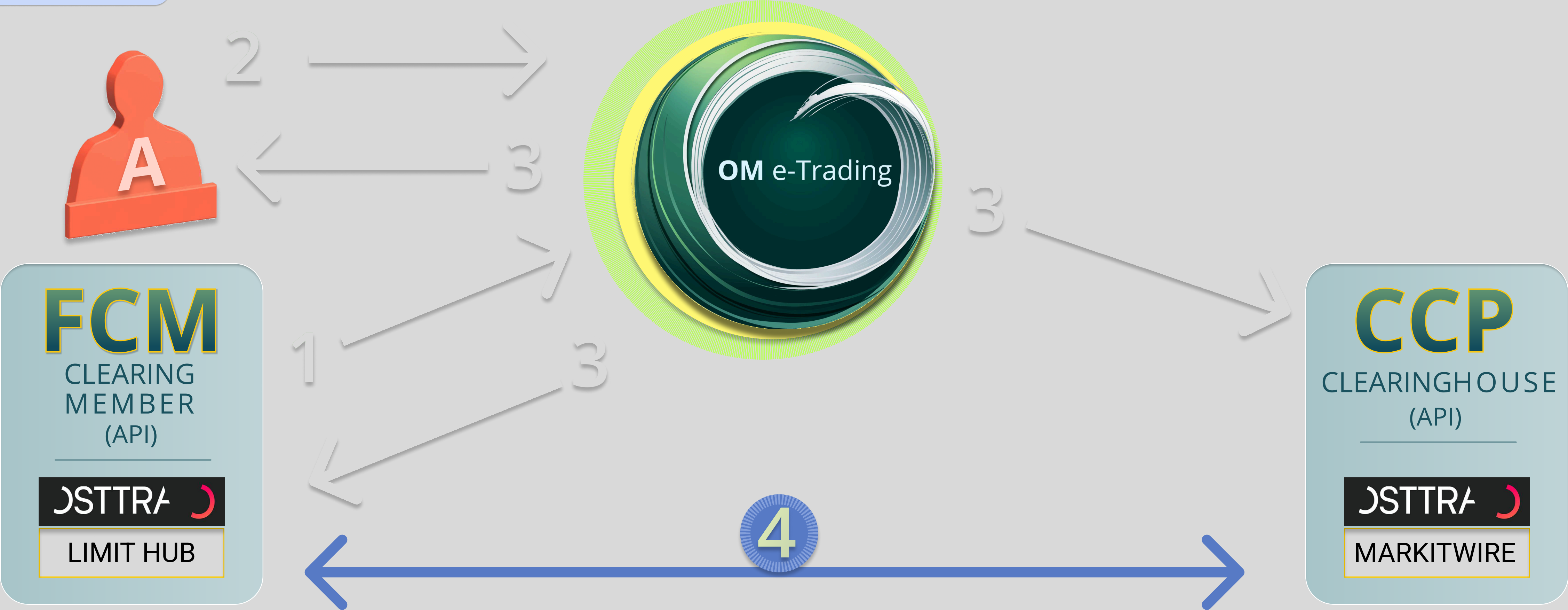
- ORDERS
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• The **Trader**, the **FCM** and the **CCP** all receive simultaneous notifications when the trade occurs.



- ORDERS
- TRADES
- LIMITS
- CONFIRMATION

• The **CCP** affirms the matched trades with the respective **FCMs** and once verified by the **FCMs**, the **CCP** accepts the trade for clearing.



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- The **FCM** sends **OMeT** refreshed limits with approval ID for pretrade certainty.

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