

Updated ~~10/19/2022~~ 7/20/2022

Exhibit K

AEGIS SEF, LLC

Dues, Fees, and Other Charges Imposed for SEF Services of Applicant

Attach as Exhibit K, the following:

- a. A complete list of all dues, fees, and other charges imposed, or to be imposed, by or on behalf of the Applicant for its swap execution facility services that are provided on an exclusive basis and identify the service or services provided for each such due, fee, or other charges.
- b. A description of the basis and methods used in determining the level and structure of the dues, fees, and other charges listed in paragraph (a) of this item.
- c. If the Applicant differentiates, or proposes to differentiate, among its customers or classes of customers in the amount of any dues, fees, or other charges imposed for the same or similar exclusive services, describe and indicate the amount of each differential. In addition, identify and describe any differences in the cost of providing such services and any other factors that account for such differentiations.

(a) List of AEGIS-SEF Fees*

(Information shown in Section (a) of this Exhibit K will be available on the AEGIS-SEF website for review by Participants, Broker Firms, Customers, ISVs, and all other Persons eligible to become Participants, Broker Firms, Customers, or ISVs. The information shown in Sections (b) and (c) of this Exhibit K is confidential and proprietary and will not be available on the AEGIS-SEF website.)

AEGIS SEF, LLC ("AEGIS-SEF") Master Fee Schedule:

<u>Participants or other parties to SEF contracts</u> <u>AEGIS SEF Users</u>	Monthly User Fees	<u>Notional Volume Fee per Swap Executed via RFQ Function or Order Book</u> <u>Fee per Trade Conducted (i.e., Negotiated) On AEGIS-SEF Platform</u>	<u>Notional Volume Fee Per Swap Executed via Offline Execution Functionality</u> <u>Fee per Trade Conducted (i.e., Negotiated) Off AEGIS-SEF Platform</u>
<u>Financial Counterparties that are Participants</u>	First User: \$1,000 Each Add'l User: \$250 None \$0	Fee from Notional Volume Fee Schedule; \$25 minimum per Trade	Fee from Notional Volume Fee Schedule; \$25 minimum per Trade Fee from Notional Volume Fee Schedule; \$60 minimum
<u>Eligible Contract Participants that are not Financial Counterparties</u>	\$0	\$0	\$0
<u>Market Participants</u>	First User: \$0 Each Add'l User: \$0	None	None

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Eligible Contract Participant Customers			
Broker Firms (CTAs, IBs & other registered persons) representing Customers	First User: \$5,000 Each Add'l User: \$1,000	N/A***	N/A***
Independent Software Vendors (ISVs)	\$5,000	N/A***	N/A***

Broker Firms and ISVs	Monthly User Fees	Fee per Trade Conducted (i.e., Negotiated) On AEGIS-SEF Platform	Fee per Trade Conducted (i.e., Negotiated) Off AEGIS-SEF Platform
Broker Firms (CTAs, IBs & other registered persons) representing Market Participants	First User: \$5,000 Each Add'l User: \$1,000	N/A***	N/A***
Independent Software Vendors (ISVs)	\$5,000	N/A***	N/A***

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*Capitalized terms used but not defined herein have the meanings given to such terms in the AEGIS-SEF Rulebook or the relevant agreements; In the event of any inconsistency between the provisions of any agreement and the provisions of the AEGIS-SEF Rulebook, the provisions of the AEGIS-SEF Rulebook shall prevail. All amounts presented are in USD.

***A Broker Firm or ISV is not a party to a SEF Contract nor is a Broker Firm or ISV a Participant, as defined in the AEGIS Rulebook; provided, however, a Person that is a Broker Firm or ISV may also become eligible to trade in its own name and for its own account, see Clarifying Statement #6 below.

~~SPECIAL NOTE: Monthly User Fees for all Participants will commence no earlier than November 1, 2022. Fee per Trade will commence immediately.~~

AEGIS SEF Notional Volume Fee Schedule:

Product	<u>Notional Volume Fee Per Swap Executed via RFQ Function or Order Book</u> Fee per Trade Conducted (i.e., Negotiated) On AEGIS-SEF Platform Using RFQ or Order Book	<u>Notional Volume Fee Per Swap Executed via Offline Execution Functionality</u> Fee per Trade Conducted (i.e., Negotiated) Off AEGIS-SEF Platform (see Clarifying Statement # 5 below)
Crude Oil	\$0.0025 per Barrel	\$0.0025 per Barrel \$0.006 per Barrel
Natural Gas	\$0.00025 per MMBtu	\$0.00025 per MMBtu \$0.0006 per MMBtu
Natural Gas Liquids	\$0.0025 per Barrel <u>*Gallons to be converted to Barrels</u>	\$0.0025 per Barrel \$0.006 per Barrel <u>*Gallons to be converted to Barrels</u>
Refined Products	\$0.0025 per Barrel <u>*Gallons to be converted to Barrels</u>	\$0.0025 per Barrel \$0.006 per Barrel <u>*Gallons to be converted to Barrels</u>
Aluminum	\$0. 25 50 per Metric Ton	\$0.25 50 per Metric Ton \$1.20 per Metric Ton
Other Metals	\$0. 25 50 per Metric Ton, Long Ton, Short Ton OR \$0.000 125 25/lb	\$0.25 50 per Metric Ton, Long Ton, Short Ton OR \$0.000 125 25/lb \$1.20 per Metric Ton, Long Ton, Short Ton OR \$0.0006/lb
Interest Rates	\$10 per \$1m notional	\$10 per \$1m notional \$25 per \$1m notional

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Clarifying Statements:

1. AEGIS-SEF will only charge one leg of a combination option structure.
2. No additional fees will be assessed with regards to a canceled trade or with respect to any action taken by AEGIS-SEF with regards to a System Error.
3. All pricing outlined in this Exhibit K is exclusive of taxes. Any sales taxes or other applicable taxes, excluding taxes on AEGIS-SEF's net income, will be charged by AEGIS-SEF and paid by Financial Counterparties, Participants and, Broker Firms, and Independent Software Vendors.
4. AEGIS-SEF's currently effective fees are posted on the AEGIS-SEF website (<https://aegis-hedging.com/swap-execution-facility/feeschedule>). AEGIS-SEF may periodically adjust its fees in accordance with Rule 3.12.4 of the AEGIS-SEF Rulebook.
- ~~5. Rule 4.6.4 of the AEGIS-SEF Rulebook prohibits any trade (other than an Error Trade) from being negotiated off SEF by a Broker Firm (e.g., a Commodity Trading Advisor or an~~

~~Introducing Broker), a Financial Counterparty, or a Market Participant and then posted on the AEGIS-SEF Platform for execution; provided, however, if the CFTC were to conclude in the future that a trade may be negotiated off SEF and then executed on the AEGIS-SEF Platform, then any Financial Counterparty (acting as a Designated Participant or otherwise) that is a counterparty to such a trade (other than an Error Trade) shall incur fees as if the trade had been conducted (i.e., negotiated) off the AEGIS-SEF Platform and any Broker Firm (e.g., a Commodity Trading Advisor or an IB) that is a Broker Firm with respect to such a trade shall be responsible for all audit trail requirements for any such transaction negotiated off the AEGIS-SEF Platform.~~

~~6-5.~~ If a Person that is a Broker Firm or ISV meets all of the eligibility requirements and becomes eligible to trade SEF Contracts in its own name as a Participant, so that such Person could trade SEF Contracts in its own name and for its own account, then (i) whenever such Person utilizes the AEGIS-SEF Platform acting as a Broker Firm or ISV to trade SEF Contracts in the name of and on behalf of one or more of its Customers, it will incur fees on Schedule K applicable to a Broker Firm or ISV, (ii) whenever such Person utilizes the AEGIS-SEF Platform to trade SEF Contracts in its own name and for its own account, it will incur fees on Schedule K applicable to either a Financial Counterparty or a ~~Market Participant~~Eligible Contract Participant that is not a Financial Counterparty, as applicable based on the facts and circumstances of such Person and its trades, and (iii) whenever such Person that is a Broker Firm or ISV utilizes the AEGIS-SEF Platform to trade SEF Contracts in its own name and for its own account as part of a "trading program," as such term is defined in CFTC Regulations Section 4.10(g), then such Person shall be assessed a fee from the Notional Volume Fee Schedule and be subject to any "minimum" fee thereunder, as if such Person were a Financial Counterparty. Upon request by AEGIS-SEF's CCO, a Person that is a Broker Firm or ISV will provide written or electronic records documenting each trade and evidencing its eligibility for the Fees applicable under clause (i), (ii) or (iii) of this Clarifying Statement #6.

Rule 3.12.1 of the AEGIS-SEF Rulebook includes the following text: "As set forth in the CFTC's requirements for SEFs to provide "Impartial Access to Markets and Market Services," CFTC Regulations Section 37.202(a)(3) specifies that a SEF shall apply "**(3) Comparable fee structures for eligible contract participants and independent software vendors receiving comparable access to, or services from, the swap execution facility.**"

Additional Fees. Other than as set forth in this Exhibit K and as adjusted from time to time under Clarifying Statement #4, ~~Financial Counterparties, Eligible Contract Participants that are not Financial Counterparties~~Participants, Broker Firms, and ISVs will not be responsible for any additional fees, expenses, charges, or other amounts without ~~such Participant's, Broker Firm's or ISV's prior~~ written consent. AEGIS-SEF will comply with all reasonable invoicing procedures communicated by a ~~Financial Counterparty, Eligible Contract Participant that is not a Financial Counterparty~~Participant, Broker Firm, or ISV. Fee documentation will be available within the AEGIS-SEF Platform. AEGIS-SEF will submit certification of tax status of AEGIS-SEF ~~to a Participant, Broker Firm or ISV~~ upon request.

Payment. AEGIS-SEF will provide monthly invoices detailing the amount due. These amounts will be due and payable within 30 days of receipt of the invoice or other notice of the amount due. If an ~~invoiced party~~Participant, Broker Firm or ISV fails to pay amounts in full or in part within two (2) days after the due date, such ~~invoiced party~~Participant, Broker Firm or ISV agrees to pay (i) a late fee equal to five percent (5%) of the amounts unpaid when due and (ii) interest at the Default Rate (i.e., the lesser of twelve percent (12%) per annum, compounded monthly, or the then maximum lawful rate), on the amounts unpaid when due.

(b) Description of the “Basis and Methods” Used to Derive the “Level and Structure” of the AEGIS-SEF Fees

(Information shown in Section (b) of this Exhibit K is confidential and proprietary and will not be available on the AEGIS-SEF website.)

The AEGIS-SEF fees set forth in Section (a) of this Exhibit K are intended to recover AEGIS-SEF’s day-to-day operating expenses related to staff, legal support, technology, maintaining platform access, ongoing technology development, market monitoring, market disruption-manipulation mitigation, regulatory compliance-enforcement, and other administrative and general expenses related to AEGIS-SEF’s operations (“A&G Expenses”).

The level of such AEGIS-SEF fees has been set to allow AEGIS-SEF to recover its A&G Expenses in order to ensure that the AEGIS-SEF Platform is financially viable.

The structure of such AEGIS-SEF fees, as explained in Section (c) of this Exhibit K, has been set to recover such A&G Expenses from the “makers” (i.e., “Financial Counterparties, acting as Designated Participants or otherwise”) and “Broker Firms” and “ISVs” that will be using the AEGIS-SEF Platform, rather than attempting to also recover an allocated portion of such A&G Expenses in a separate charge allocated to the “takers” (i.e., “Market Participants” or “NPECPs”) that will be using the AEGIS-SEF Platform. AEGIS-SEF has selected this differentiation of its fees among those using the AEGIS-SEF Platform in order to ensure that the AEGIS-SEF Platform is commercially competitive with other platforms (i.e., other financial resources) available to such “takers” seeking to buy or sell such uncleared bilateral swaps.

(c) Differentiation of Fees by User Classes Using the AEGIS-SEF Platform

(Information shown in Section (c) of this Exhibit K is confidential and proprietary and will not be available on the public AEGIS-SEF website.)

Makers, Takers and Broker Firms. The method for differentiation of AEGIS-SEF's fees is based on the concept of "market makers" and "price takers," which is sometimes referred to as the relationship between a "liquidity provider" and an "aggressor." This approach views (i) the "aggressor" as a trader that removes liquidity from the market by entering orders that are immediately executed – hence "aggressor," because the "aggressor" purchases SEF Contracts at the current at-market price for Offers or Bids, while (ii) the "liquidity provider" acts as a middleman willingly entering into SEF Contracts on either side of the market for a particular SEF Contract (i.e., willing to either buy or sell such swaps) in transactions with the "aggressors," in order to make a market for the aggressors as price takers.

A "Financial Counterparty," whether acting as a "Designated Participant" in response to an RFQ or posting/filling an open Order on the Order Book, is defined in the AEGIS-SEF Rulebook as a "liquidity provider" (i.e., a "market maker").

Certain Financial Counterparties may choose not to participate on AEGIS-SEF and will instead rely on a Broker Firm to pre-arrange or pre-negotiate swap transactions. The Broker Firm may choose to bring these swap transactions to AEGIS-SEF for execution as a means to comply with CFTC Staff Letter No. 21-19. These transactions will incur the same Notional Volume fees as any other SEF Contract executed on AEGIS SEF. ~~however, because the NPFC is not consistently participating in other execution methods on AEGIS-SEF, User Fees will not be charged to NPFCs.~~

A "Market Participants," or "NPECPs" as defined in the AEGIS-SEF Rulebook, which are ~~which can be~~ either (a) a CEU or an Eligible Affiliate of a CEU, as defined in the AEGIS-SEF Rulebook, which buys or sells a SEF Contract for the sole purpose of hedging its exposure to commercial risk, or (b) a CEU, an Eligible Affiliate of a CEU, or any other Eligible Contract Participant that buys or sells a SEF Contract as an investment or for speculative purposes, ~~is an~~ "aggressors" (i.e., a "price taker").

A Broker Firm, such as a CTA or an IB, may lawfully reach out to one Designated Participant to solicit Bids/Offer for SEF Contracts on behalf of its Customers. As explained in CFTC Staff Letter No. 21-19, entitled "*Staff Advisory on Swap Execution Facility Registration Requirement*," however, Broker Firms, such as CTAs, IBs and other registered persons acting on behalf of their Customers as Market Participants, are prohibited from reaching out simultaneously to multiple Designated Participants by phone, email, text message or any other platform to solicit uncleared bilateral swaps on behalf of their Customers, because any such "platform" that a Broker Firm might use must be registered with the CFTC as a SEF.

In compliance with CFTC Staff Letter No. 21-19, the AEGIS-SEF Platform provides an RFQ Function, as well as an Order Book, through which CTAs, IBs and other registered persons, as Broker Firms, and ISVs may lawfully solicit uncleared bilateral swaps for their Customers by reaching out simultaneously to multiple Designated Participants (i.e., "multiple Financial Counterparties") to solicit Bids/Offer for SEF Contracts on behalf of their Customers that are Market Participants.

In this scenario, any Person acting as a Broker Firm or ISV is not a counterparty to any SEF Contract entered into by and between such Broker Firm's or ISV's Customer and any other Participant. Accordingly, a Broker Firm or ISV is not a "taker."

[In addition, a Broker Firm may use the Offline Execution Functionality to bring a pre-negotiated or pre-arranged transaction between an ECP and a Financial Counterparty to AEGIS SEF for execution.](#)

A Broker Firm or ISV is more akin to a “market maker” than a “price taker,” but since a Broker Firm or ISV is not a counterparty to a SEF Contract, AEGIS-SEF has applied a separate fee to Broker Firms and ISVs in designating the fees to be paid by Broker Firms and ISVs as set forth in Section (a) of this Exhibit K. Moreover, any user access fees applied to a Broker Firm or ISV must: (i) cover the cost of an unknown number of Market Participants [or NPECPs](#) (i.e., Customers) that a Broker Firm or ISV may represent and (ii) address the cost of providing an acceptable solution for those CTAs, IBs and other registered persons that need to comply with the interpretive guidance set forth in CFTC Staff Letter No. 21-19. Note also that the fees applicable to a Person that is a Broker Firm or ISV when, and if, such Person is buying or selling SEF Contracts in its own name and for its own account, may vary as set forth in Clarifying Statement #6 as shown above in this Exhibit K.

For the foregoing reasons, AEGIS-SEF has proposed differentiating its fees, as shown above in Section (a) of this Exhibit K, among (i) Financial Counterparties (as “Makers”), (ii) Broker Firms [representing Customers](#) and ISVs, and (iii) [Eligible Contract Participants that are not Financial Counterparties](#) ~~Market Participants~~ (as “Takers”).