

**EURONEXT UK MARKETS LIMITED
EURONEXT LONDON**

COMPLAINTS PROCEDURES

1. Introduction

- 1.1 Under the *Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001*, each exchange must have effective arrangements for the investigation and resolution of complaints arising in connection with the performance of, or failure to perform, any of its regulatory functions. The arrangements must include arrangements for a complaint to be fairly and impartially investigated by a person independent of the exchange, and for him to report on the result of his investigation to the exchange and to the complainant.
- 1.2 Section 8 of Book II of the Euronext London Rulebook sets out the rules governing the handling of complaints, with Rule 8.1 defining what is, and what is not, covered by these provisions and Rule 8.2 describing how complaints which fall within the scope of Section 8 will be dealt with. Provision is made in Rule 8.2.1 for procedures to lay out in more detail the manner in which Section 8 will be operated.
- 1.3 This document comprises the Complaints Procedures prescribed by the Board of Euronext UK Markets Limited pursuant to Rule 8.2.1.
- 1.4 With the exception of those terms defined in the Rules from time to time in force which are stated herein to have different meanings for the purposes of these Complaints Procedures, nothing herein contained shall override any term (expressed or implied) of the Rules and, in the case of any conflict between any provisions of these procedures and the Rules, the Rules shall prevail. In these Complaints Procedures, any words importing the masculine gender shall include the feminine gender and any words importing the singular number only shall, where the context permits, include the plural and vice versa.

2. Scope of the Scheme

2.1 A party directly affected by the way in which the Exchange has carried out, or failed to carry out, its regulatory functions, as defined in section 291(1) of the Financial Services and Markets Act 2000, may bring a complaint under Section 8.

2.2 In particular, Section 8 provides a procedure for enquiring into and, if necessary, addressing complaints arising from the way in which the Exchange has performed, or failed to perform, its regulatory functions. In considering a complaint, an arbitral tribunal appointed for this purpose must consider whether the Exchange's conduct amounted to:

- (a) a failure to act fairly;
- (b) a failure to perform its regulatory functions within a reasonable time;
- (c) a lack of reasonable care; or
- (d) bad faith,

which has had a significant impact upon the complainant.

2.3 To be eligible to make a complaint under Section 8 a person must be seeking a remedy (which, for this purpose, may include an apology) in respect of some inconvenience, distress or loss which the person has suffered as a result of being directly affected by the Exchange's actions or inaction.

2.4 The Exchange will consider any complaint that meets the requirements of Section 8 and take whatever action to resolve the matter that it thinks appropriate. If the complaint cannot be resolved to the mutual satisfaction of the complainant and the Exchange, the complainant may request that the Exchange refer the complaint to arbitration. The arbitral tribunal appointed for this purpose will investigate the complaint and, wherever it finds for the complainant, will recommend to the Exchange the form of redress that it considers to be appropriate in the circumstances.

3. Complaints in writing

3.1 Complaints shall be submitted to the Chief Operating Officer of Euronext London ("Chief Operating Officer") by a Member, whether on its own behalf or on behalf of its client, or by the complainant directly if the complainant desires. Any complainant complaining orally will be required to confirm the complaint in writing and the Exchange will not normally investigate a complaint until the complainant has done so.

3.2 In submitting a complaint, the complainant shall explain:

- (a) how the alleged misconduct by the Exchange arose from the way in which the Exchange has performed, or failed to perform, its regulatory functions;
- (b) why the alleged misconduct amounts to one of the four categories in procedure 2.2 above; and
- (c) how it has resulted in a significant impact upon the complainant.

4. Time limit

4.1 Complaints should be made within twelve months of the date of the occurrence of the circumstances giving rise to the complaint. Complaints made later than this will only be investigated under Section 8 if the complainant can show reasonable grounds for the delay.

5. Cost

5.1 Subject to procedure 7.3, the Exchange will not make any charge to complainants in relation to the operation of Section 8 and an arbitral tribunal's reasonable costs will be paid by the Exchange. The parties to the arbitration proceedings will be responsible for their own costs irrespective of the conclusions of the arbitral tribunal.

6. Consideration of the complaint by the Exchange

6.1 Section 8 envisages that any complaint will be dealt with by the Exchange in the first instance and only referred to arbitration if agreement between the Exchange and the complainant cannot be achieved. This procedure 6 of the Complaints Procedures deals with the internal process whilst procedure 7 below deals with the referral to arbitration.

6.2 For a complaint to be dealt with under these Complaint Procedures it must fall within the scope of the definition contained in Section 8. All complaints must be in writing and must be submitted to the Chief Operating Officer of Euronext London.

6.3. The Exchange will acknowledge a written complaint within five working days of receipt. Where the complainant is not a Member, the Exchange will communicate with the complainant through the complainant's Member unless the complainant specifically requests otherwise in writing to the Exchange.

- 6.4 The Chief Operating Officer will make a record of the complaint, noting details of the complainant, the nature of the complaint and the time of receipt. He will then pass the complaint on to Cash Market Operations (“CMO”) who will deal with it, in the first instance, in accordance with the Euronext Securities Markets’ Claim Management Process.
- 6.5 Under the Claim Management Process, CMO will investigate the details of the incident and then prepare an operational status report for consideration by the senior management of the Euronext Securities Markets. If the Exchange, through the senior management of the Euronext Securities Markets, is unable to reach agreement with the complainant and settle the claim, it shall refer the matter for determination by arbitration in accordance with Section 8 and these Complaints Procedures.
- 6.6 Complainants who have failed to have their complaint resolved to the mutual satisfaction of themselves and the Exchange may request in writing to the Exchange within 90 days of the receipt by the Exchange of the written complaint that the complaint be referred to arbitration in accordance with Section 8 and these Complaints Procedures.
- 6.7 The Exchange will send the complainant under a covering letter a copy of Section 8 and these Complaints Procedures explaining how the arrangements work. The complainant must sign and return the covering letter, agreeing to be bound by Section 8 and these Complaints Procedures, before the Exchange will refer the complaint to arbitration.
- 6.8 Where a complaint is referred to arbitration, the Exchange will ensure that the arbitral tribunal, the complainant and the Member (as appropriate) receive a copy of:
- (a) the written complaint; and
 - (b) any other correspondence or other material exchanged between the Exchange and the Member or complainant after the written complaint was made.

The date of the referral shall be described in these Complaints Procedures as the Commencement Date.

7. Arbitration

- 7.1 (a) Subject to procedure 7.2, the arbitral tribunal shall comprise three arbitrators. Unless otherwise agreed by the parties, the place of the arbitration shall be London, and the language of the arbitration shall be English.

- (b) The Exchange shall maintain a list of independent arbitrators updated from time to time (the "Arbitrators List"), which shall be available for inspection upon request. Each arbitrator named on the Arbitrators List shall be independent of the Exchange in that he shall not be employed by or hold any office at the Exchange or receive any retainer or other remuneration (save for costs, expenses and any fees) for participating in any arbitration.
- (c) The complainant shall nominate one independent arbitrator and the Exchange shall nominate a second independent arbitrator within 30 days from the Commencement Date. The complainant and the Exchange may choose to nominate an arbitrator from the Arbitrators List (provided that they are independent to the matter and parties in dispute) or elect to nominate another independent person experienced in the securities industry to act as arbitrator. Within 30 days of their appointment, the two arbitrators shall agree upon and nominate a third arbitrator who shall serve as the Chair of the tribunal. No arbitrator shall act in any arbitration in which he is or becomes directly or indirectly interested in the subject matter in dispute.
- (d) In the event of an arbitrator being or becoming so interested, dying or in any other way becoming incapacitated from acting, the Exchange may appoint another person to take his place and the arbitration shall thereupon proceed as if such other person had been originally appointed instead of the arbitrator first appointed.
- (e) In the event of disagreement between the arbitrators, the decision of the majority shall prevail and in the event of an equality of votes the Chair of the tribunal, shall have a second or casting vote.

7.2 Notwithstanding procedure 7.1, the Exchange may determine in its absolute discretion that the complaint shall be dealt with by a single arbitrator. Such determination shall be based upon consideration of:

- (a) the amount of money involved in the complaint;
- (b) the importance of the complaint; and
- (c) the complexity of the issues.

In such case, the complainant shall nominate the arbitrator, either from the Arbitrators List or, with the agreement of the Exchange, otherwise. Any such arbitrator shall fulfil the conditions of independence and absence of conflicts of interest specified in procedure 7.1.

7.3 Where complaints have been made by two or more persons in respect of the same alleged misconduct by the Exchange, the Exchange may determine in its absolute discretion that a single arbitral tribunal shall consider all such complaints.

7.4 (a) The arbitrators shall be entitled to require the Exchange or the complainant to lodge with them such documents or information in written form as the arbitrators may in their absolute discretion consider necessary to enable them to determine the dispute. Subject to compliance with any such requirement the arbitrators shall meet to determine the dispute and shall make their recommendation to the Exchange pursuant to procedure 8 within four months of the Commencement Date.

(b) In the event of either party failing to comply with any time limit prescribed by these Complaints Procedures or prescribed by the arbitrators, the arbitrators shall be entitled to proceed to determine the dispute notwithstanding such failure.

(c) Unless the arbitrators in their discretion otherwise decide, the case shall be decided on the written statements and documents submitted to them without *viva voce* hearing and without the attendance of witnesses. In exercising their discretion, the arbitrators shall take into account the need to avoid injustice and to ensure that a fair ruling can be given.

(d) The arbitrators shall have power to obtain, receive and act upon such oral or documentary evidence or information (whether the same be strictly admissible as evidence or not) and to conduct the arbitration in such manner in all respects as they may consider necessary in order to investigate the complaint in a fair and impartial manner. The arbitrators shall not be bound by the rules of law.

(e) The Exchange and the complainant shall use all reasonable endeavours to provide information to the arbitrators, notwithstanding any obligations of confidentiality to which they may be subject.

(f) The arbitrators shall deal with the complaint in ways in which are proportionate given:

(i) the amount of money involved in the complaint;

(ii) the importance of the complaint;

(iii) the complexity of the issues; and

- (iv) the Exchange's statutory responsibility to maintain, inter alia, a fair and orderly market.

8. Reports on investigations

- 8.1 The arbitral tribunal must report to the Exchange, the Financial Services Authority and to the complainant on the results of its investigation, giving reasons for any recommendations it makes.
- 8.2 The recommendation must:
 - (a) be in writing;
 - (b) be signed by all the arbitrators;
 - (c) contain reasons for the recommendation (unless the parties have agreed otherwise); and
 - (d) state the seat of the arbitration and the date that the recommendation is made.
- 8.3 If the arbitral tribunal has found conduct on the part of the Exchange which falls within procedure 2.2, it may recommend that the Exchange takes either or both of the following steps:
 - (a) makes a compensatory payment to the complainant;
 - (b) remedies the matter of complaint.
- 8.4 In deciding whether to make such a recommendation, the arbitral tribunal shall consider whether such compensatory payment or remedy is appropriate in the circumstances, including the nature of the Exchange's regulatory functions, the complexity of the subject matter involved at the time of the Exchange's relevant conduct (and hence the reasonableness of the Exchange's performance), and the Exchange's statutory responsibility to maintain a fair and orderly market.
- 8.5 The Exchange must, in any case, where the arbitral tribunal has recommended that the Exchange takes either of these steps, inform the complainant, within 45 days of the date of the report, of the actions which it proposes to take by way of response.

9. Compensatory payments

9.1 In deciding how it should respond to any such recommendation, the Exchange will, as well as having regard to those objectives and considerations, normally take into account, inter alia, the following:

- (a) the gravity of the conduct the subject of the complaint and its consequences for the complainant;
- (b) the nature of the Exchange's relationship with the complainant and the extent to which the complainant has been adversely affected in the course of his direct dealings with the Exchange;
- (c) whether the conduct the subject of the complaint is at the operational or administrative level (rather than in relation to matters of policy or where the Exchange's actions have necessarily had to reflect a balancing of conflicting interests and complex issues); and
- (d) the impact of the cost of compensatory payments on members, their clients and, indirectly, consumers.

10. Confidentiality

10.1 The arbitral tribunal, the Exchange and any complainant and/or Member must each observe the strict confidentiality of the investigation of any complaint, all information provided (including the arbitral tribunal's report and recommendation) and all communications made for the purpose of the investigation.

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