



Euronext Rule Book

Book II:
Euronext London

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Book I is the Euronext Rule Book (Book I: Harmonised Rules) from time to time in force. It is available at:
www.euronext.com

It should be noted that Chapters 5, 6, 7 and 9 of the Euronext Rule Book do not apply to Euronext London

EURONEXT LONDON

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**EURONEXT LONDON
RULES – BOOK II**

SECTION 1 - THE MARKET

1.1 Market title

1.1.1 The Euronext Securities Market administered by the Exchange shall be called “**Euronext London**”.

1.2 Object of the Market

1.2.1 The object of the Market shall be to provide facilities for Issuers to have their Securities admitted to trading and for Members and for those who use the services offered by Members to buy and sell those Securities. It shall be the responsibility of each Issuer and each Member to ensure so far as practicable that the facilities are not used for any improper purpose. The Board shall have the power to regulate the Market so as to ensure, inter alia, that the facilities are not used for any improper purpose.

1.3 The Market - exclusion of liability

1.3.1 The Exchange is obliged under the UK’s Financial Services and Markets Act 2000 to ensure that business conducted by means of its facilities is conducted in an orderly manner and so as to afford proper protection to investors. To this end, the Exchange will at all times endeavour to maintain a fair and orderly Market and to have effective arrangements to facilitate the efficient and timely finalisation of the Transactions executed under its systems as is consistent with the Exchange’s legal obligations and the object of the Market.

1.3.2 The Exchange wishes to draw to the attention of Issuers, Members and Clients that, inter alia, business on the Market may from time to time be suspended or restricted or the Market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the Rules including, without limitation, as a result of the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly Market. Any such action may result in the inability of one or more Members and through such Members one or more Clients to enter into Transactions through an ATS. Furthermore, a Member and through the Member one or more Clients may from time to time be prevented from or hindered in entering into Transactions, or errors in orders may arise, as a result of a failure or malfunction of communications, or equipment, or Market facilities, or the ATS central processing systems, or one or more ATS workstations used by the Member or software supplied to the Member by the Exchange or any other person.

1.3.3 The Exchange further wishes to draw the following exclusion of liability to the attention of Issuers, Members and Clients. Unless otherwise expressly provided in the Rules or in any other agreement to which the Exchange is party, the Exchange shall not be liable to any Issuer, Member or Client for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to in Market

Rule 1.3.2 or from any act or omission of the Exchange, its officers, staff, agents or representatives under the Rules or pursuant to the Exchange's obligations under statute or from any breach of contract by or any negligence howsoever arising of the Exchange, its officers, employees, agents or representatives. The Exchange and its officers and staff are not to be liable in damages for anything done or omitted in the discharge of its regulatory functions (as defined under section 291(3) of the Financial Services and Markets Act 2000) unless it is shown that the act or omission was in bad faith.

- 1.3.4 Nothing in the Rules shall be construed as an attempt by the Exchange to exclude any liability for any fraud or wilful default or negligently caused personal injury or death.
- 1.3.5 No person shall acquire any rights under these Rules by virtue of the Contracts (Rights of Third Parties) Act 1999, save as may be expressly set out herein.
- 1.3.6 No failure by the Exchange to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under these Market Rules shall operate as a waiver of the Exchange's rights or remedies upon that or any subsequent occasion, nor shall any single or partial exercise of any right or remedy prevent any further exercise thereof or any other right or remedy.
- 1.3.7 Nothing in the Rules shall be deemed to exclude any liability of the Exchange referred to in section 291(2) of the UK's Financial Services and Markets Act 2000.

1.4 Authority of the Board

- 1.4.1 The Board is empowered by Market Rule 1.2 to regulate the Market so as to ensure, inter alia, that the facilities are not used for any improper purpose. The Board is entitled pursuant to various provisions in the Rules:
- (a) to prescribe criteria, requirements or conditions, howsoever expressed, in relation to one or more Relevant Persons or one or more classes of Relevant Person, howsoever such classes may be defined;
 - (b) to make decisions in respect of, or give directions to, one or more Relevant Persons or one or more classes of Relevant Person, howsoever such classes may be defined, concerning any matter relating directly or indirectly to such persons as may be specified in any such decision or direction.
- 1.4.2 Any matter which is prescribed by the Board, as contemplated by sub-paragraph (a) of Market Rule 1.4.1, shall be published in the form of, or under cover of, a Notice. Any decision or direction of the Board, as contemplated by sub-paragraph (b) of Market Rule 1.4.1, shall be notified in writing to that Person who is, or those Persons who are, specified in any such decision or direction and may, at the sole discretion of the Board, be published in whole or in part as the Board sees fit.
- 1.4.3 The Board is entitled to delegate various matters to committees of the Board. A committee of the Board, subject always to the exercise by the Board of powers vested in it, may undertake any of the functions of the Board contemplated in Market Rule 1.4.1, in accordance with Market Rule 1.4.2, when the Board has delegated responsibility for the discharge of such a function to such a committee of the Board.

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- 1.4.4 Failure of a Relevant Person to comply with any matter the subject of action taken by the Board pursuant to, inter alia, Market Rule 1.4.1 and Market Rule 1.4.2, or by a committee of the Board pursuant to Market Rule 1.4.3, shall be treated as a failure by such Relevant Person to comply with a Relevant Obligation.
- 1.4.5 Where under these Market Rules any Person (including the Board and the Exchange and its officers and staff) is vested with a discretion or may determine any matter in its person, such Person shall exercise such discretion reasonably or determine such opinion based on reasonable grounds.

**EURONEXT LONDON
RULES – BOOK II**

SECTION 2 - GENERAL

2.1 Definitions

A term defined in the Euronext Rules shall have the same meaning in these Market Rules unless otherwise expressly stated herein. In these Market Rules, unless otherwise expressly stated:

ATS	the Universal Trading Platform (“Euronext UTP”) or any other automated trading system administered by the Exchange as the context requires;
Board	the board of directors of the Exchange or the members thereof present at a duly convened meeting of the Board at which a quorum is present;
Chief Executive	any person appointed to perform the duties of the Chief Executive of the Exchange or his acting deputy;
Clearing House	any clearing house which is for the time being appointed by the Board as clearing house to the Exchange in respect of Euronext London;
Compliance Officer	any person appointed to perform the duties of the Compliance Officer of Euronext London or his acting deputy;
Counterparty	in relation to a Defaulter, a person party as principal to a Market Contract to which the Defaulter is party;
Declared a Defaulter	in relation to a Member, means Declared a Defaulter under Market Rules 7.2.1 or 7.2.2;
Default Rules	the rules set out in Section 7 of the Market Rules, as amended from time to time;
Default Rules Committee	has the meaning attributed to it by Market Rule 7.6.2;
Defaulter	a Member who has been Declared a Defaulter;
Euronext Rule(s)	chapters 1, 2, 3, 4 and 8 of Book I of the Rules or any specific Rule in Book I as referred to in these Market Rules;

Event of Default	has the meaning attributed to it in Market Rule 7.3.1;
the Exchange	Euronext London Limited;
Exchange Official	any person appointed for the time being as an exchange official by the Board and different appointments may be made for particular purposes;
FCA	the Financial Conduct Authority;
Market	Euronext London, the Euronext Securities Market administered by the Exchange;
Market Business	business in respect of which a Relevant Person is subject to the Market Rules or which is purportedly conducted subject to the Market Rules or which should have been conducted subject to the Market Rules;
Market Contract	for the purposes of the Market Rules, a Transaction made on Euronext London pursuant to the Market Rules to which a Member is party as principal;
Market Rules	this Book II of the Rules in respect of Euronext London;
PTM levy	the levy determined by and payable to the Panel on Takeovers and Mergers;
Recognised Clearing House	has the meaning attributed to it in the Financial Services and Markets Act 2000;
Recognised Investment Exchange	has the meaning attributed to it in the Financial Services and Markets Act 2000;
Relevant Obligation	has the meaning attributed to it by Market Rule 2.2.2;
Relevant Office-Holder	has the meaning attributed to it in section 189 of the Companies Act 1989;
Relevant Person	has the meaning attributed to it by Market Rule 2.2.1;
Rules	means: (a) the rules set forth in the Euronext Rules, as amended from time to time, which shall form Book I of the Rules; and

(b) this Book II of the Rules as amended from time to time.

Segregated Client a Client whose monies and assets are held by a Member separately from the Member's own monies and assets and are not used for the Member's own account;

Unsettled Market Contract for the purposes of the Default Rules, a Market Contract in respect of which the rights and liabilities of the parties thereto have not been discharged whether by performance, compromise or otherwise.

Expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words or data in a visible form.

Any words importing the singular number only shall, where the context permits, include the plural number and vice versa. Any words importing the masculine gender shall include the feminine gender and shall, where the context permits or requires include a partnership, trust, association or an incorporated company.

References in the Rules to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provisions which have been so re-enacted (whether with or without modification).

The headings in the Rules are for convenience only and do not affect the construction of the Rules.

If at any time any provision of these Market Rules becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Market Rules nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

2.2 Compliance with the Rules and conduct

2.2.1 A Member and the Responsible Persons registered by him under the Rules shall each be a "Relevant Person".

2.2.1A Such other persons as determined by the Board from time to time (and acknowledged by such persons in writing) shall each be a "Relevant Person" under the Rules in respect of each such person's provision of facilities and/or services in relation to Transactions.

2.2.2 Each of the Euronext Rules, each of the Market Rules and each procedure, order and other requirement implemented by the Board under the Rules shall be a "Relevant Obligation".

2.2.3 A Relevant Person shall not:

- (a) instigate the making of;
- (b) make;
- (c) purport to make, or purport to have made;
- (d) be involved in the making of; or
- (e) provide facilities and/or services in relation to,

a Transaction, otherwise than in accordance with all Relevant Obligations.

2.2.4 A Relevant Person shall comply with each of the standards set out in this Market Rule 2.2.4. In relation to any aspect of Market Business or in relation to any aspect of business connected with Market Business, the failure of a Relevant Person to act or conduct himself in a manner which is consistent with any standard set out in this Market Rule shall constitute a violation of this Market Rule. A Relevant Person:

- (a) shall observe high standards of market conduct;
- (b) shall either avoid any conflict of interest arising or, where conflicts arise, shall ensure fair treatment to all his clients by disclosure, internal rules of confidentiality, declining to act, or otherwise. A Relevant Person shall not unfairly place his interests above those of his clients;
- (c) shall organise and control his affairs in a responsible manner, keeping proper records, maintaining appropriate compliance procedures and, where he employs others or is responsible for the conduct of business by others, shall have adequate arrangements to ensure that such other persons (who may or may not be relevant persons) are suitable, adequately trained and properly supervised;
- (d) in all dealings with the Exchange, its officers, employees, agents or representatives, shall be honest and truthful and shall not knowingly mislead or conceal any material matter;
- (e) shall deal with the Exchange in an open and co-operative manner and keep the Exchange promptly informed of anything concerning the Relevant Person which might reasonably be expected to be disclosed to the Exchange. The Relevant Person's duty of disclosure shall arise as soon as he becomes aware, or has reasonable grounds for believing, that a matter requiring disclosure has arisen or will arise;
- (f) shall, where he is a Member, disclose promptly to the Exchange any matter which may reasonably be regarded as being a matter of concern to the Exchange in the context of its relationship with a Relevant Person registered (or who should have been registered) by him with the Exchange. This duty of disclosure shall arise as soon as he becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.

2.2.5 A Relevant Person shall not commit any act or engage in any conduct which is likely to bring the Exchange or the Market into disrepute.

2.2.6 A Relevant Person shall act or conduct himself in a manner which is consistent with each Relevant Obligation. The failure of a Relevant Person to act or conduct himself in a manner which is consistent with a Relevant Obligation shall constitute a violation of this Market Rule.

2.2.6A A Relevant Person shall take all reasonable steps to ensure that:

- (a) the manner in which Market Business is conducted; and
- (b) the conduct of those involved with Market Business (who may or may not be Relevant Persons),

is consistent with each Relevant Obligation. The failure of a Relevant Person to take all such reasonable steps shall constitute a violation of this Market Rule.

2.2.7 A Relevant Person shall be liable to investigation in accordance with the Rules in respect of any act or conduct alleged of such a person and alleged to be in violation of one or more Relevant Obligations.

2.2.8 A Relevant Person shall be liable to the imposition of sanctions in accordance with the Rules in respect of any act or conduct of such a person which is found to be in violation of one or more Relevant Obligations.

2.2.9 A Member shall ensure that the Responsible Persons registered by him under the Rules shall comply with all Relevant Obligations.

2.2.10 A Member shall be responsible for the acts and conduct of all Responsible Persons registered by him under the Rules as if the acts and conduct of each of those persons were the acts and conduct of the Member. For the avoidance of doubt a Member shall be held responsible for a violation of a Relevant Obligation committed by a Responsible Person registered by him under the Rules and sanctions may be imposed on the Member under Section 4 of the Market Rules. In the event that:

- (a) the Member establishes to the satisfaction of the Disciplinary Panel or Appeal Panel, as the case may be, that it had taken all reasonable steps to prevent such a violation; or
- (b) the Disciplinary Panel or Appeal Panel, as the case may be, finds that the violation constitutes an isolated instance of anti-social behaviour, as opposed to business misconduct, on the part of the Responsible Person concerned,

the Member shall be granted an absolute discharge.

2.3 Committees of the Board

2.3.1 The Board shall appoint an Audit and Risk Committee and a Default Rules Committee and may appoint such other committees as they think fit.

2.4 Supervision of the Market

2.4.1 Responsibility for the supervision of the Market rests with the Board. The Exchange is subject to the regulatory oversight of the FCA under the Financial Services and Markets Act 2000. The Exchange may enter into any arrangement the Board considers to be in furtherance of the object of the Market or the duties of the Exchange under applicable law or regulation with any person or body (including, without limitation, Her Majesty's Treasury, the FCA, the Bank of England, the Prudential Regulation Authority, any exchange, market or clearing house) or any group of such persons or bodies which, in the opinion of the Board, exercises a legal or regulatory function under any law or regulation or a function comprising or associated with the enforcement of such a function. In order to assist such persons or bodies in the exercise of such a function and having regard to the object of the Market and the duties of the Exchange, the Exchange may at any time disclose to any of them such information concerning or associated with a Member or a person connected to a Member as the Exchange thinks fit (including, without limitation, information concerning any aspect of transactions made on the Market), whether or not a formal arrangement governing such disclosure exists or a request in respect of such information has been made.

For the purposes of this Market Rule 2.4.1, a "person connected to a Member" includes any person registered to that Member or any person employed by him, whether under a contract of service, a contract for services or otherwise.

2.4.2 The Board may from time to time implement such procedures as it deems fit to establish requirements relating to conduct, trade processing or other activities on the Exchange (or otherwise associated with the Exchange), including disciplinary procedures and sanctions relating thereto.

2.5 Power to restrict or suspend trading

2.5.1 Without prejudice to the powers of the Board to take steps under Market Rule 2.6, the Board shall implement procedures pursuant to Euronext Rule 4403/2 whereby two or more designated Exchange Officials shall be empowered to restrict or suspend business on the Market in any Financial Instrument at any time if in their opinion such restriction or suspension is necessary in the interests of the Exchange, or of its Members, or to maintain a fair and orderly Market. Such procedures shall make provision for the resumption of business on the Market following any such decision.

2.5.2 The Board shall restrict or suspend trading of any Financial Instrument when required to do so by a Competent Authority.

2.6 Emergency provisions

2.6.1 Without prejudice to any step which has been or may be taken under the Default Rules, if in its opinion any circumstances calling for emergency action in the interest of the orderly conduct of business on the Market or the due performance of Transactions have developed or are developing, the Board may take any steps whatsoever to provide for, correct or check the further development of those circumstances or to preserve or restore conditions enabling the orderly conduct of business or the due performance of contracts to be resumed. The Board may invite the Clearing House to be represented at any meeting of the Board at which the taking of such steps or the modification or

revocation of the same, is to be considered. The Clearing House may by notice to the Exchange request that a meeting of the Board be convened for the purpose of taking, modifying or revoking such steps.

2.6.2 Circumstances within the scope of Market Rule 2.6.1 may (but without prejudice to the generality of that Market Rule) include an excessive trading position or unwarranted speculation, a state of war or threatened hostilities, the introduction of official controls affecting the Market or the performance of contracts or any change in such controls, any other change in legal provision or administrative or financial practice affecting the Market or the performance of contracts or the breakdown or failure of any communications or equipment or Market facilities or the ATS central processing systems or one or more ATS workstations, the failure of any significant Market infrastructure or service provider (including, without limitation, the administration or winding-up of the Clearing House), or any other undesirable situation or practice, provided always that such circumstances in the opinion of the Board call for emergency action as aforesaid.

2.6.3 Steps taken by the Board pursuant to Market Rule 2.6.1 above may (but without prejudice to the generality of that Market Rule) include the suspension or curtailment of trading in respect of one or more Financial Instruments for such time as may be specified, the deferment of settlement of one or more Contracts in the Terms of an Exchange Contract and the determination of any compensation or price adjustment to be paid or allowed in respect of such deferment. Such steps may, if the Board thinks fit, extend to contracts made before or on the date the steps are taken.

2.6.4 Any failure or alleged failure by a Member to comply with a direction addressed to it (whether individually or as one of a class of Members) by the Board in exercise of its authority under Market Rule 2.6.1 shall be treated as a violation or alleged violation of the Market Rules.

2.7 Fines

2.7.1 In the case of any breach of the Rules or of procedures implemented by the Board, the Board or any committee, panel or person authorised in writing by the Board or these Rules may impose a fine not exceeding £250,000 (or, in the case of a committee, panel, or other person so authorised, such lesser limit as may be stipulated by the Board) on the offending Relevant Person. The Relevant Person on whom such a fine is imposed may within ten business days of receiving notice of the fine give notice of appeal to such committee, panel or other person as may be specified for his particular case or class of case by the Board or, if no such committee, panel or other person is so specified, may request the Board in writing to reconsider the decision at a hearing. At any such appeal, or any such hearing for reconsideration, the Relevant Person fined may make such representations and supply such information as he may consider appropriate.

2.7.2 The Exchange shall notify the Relevant Person in writing of the imposition of a fine pursuant to, inter alia, Market Rule 2.7.1. The Exchange shall be entitled to specify a period of time, being not less than seven calendar days, in which payment of the fine must be effected. If all or any of the amount of a fine is outstanding at the end of the period specified by the Exchange, the Exchange may recover the outstanding amount as a debt due to it.

2.8 Governing law and jurisdiction

2.8.1 Subject to Euronext Rule 1702, these Market Rules and all non-contractual obligations arising out of or in connection with these Market Rules are governed by and construed in accordance with English law.

2.8.2 Save where an alternative dispute resolution mechanism is set out elsewhere in the Market Rules, the Exchange and every Member hereby irrevocably agree for the benefit of the Exchange that the courts of England shall have exclusive jurisdiction to hear and settle any claim or matter arising out of or in connection with these Market Rules (including a claim or matter relating to any non-contractual obligation arising out of or in connection with the Market Rules), and each Member irrevocably submits to such jurisdiction and agrees to waive any objection which it might otherwise have to such courts being a convenient and appropriate forum, save that (unless otherwise agreed by the Exchange in writing) this submission to the exclusive jurisdiction of the English courts shall not (and shall not be construed so as to) limit the right of the Exchange to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the taking of action in any other jurisdiction, whether concurrently or not.

2.8.3 Each Member irrevocably waives, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from suit, jurisdiction of any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgment) and execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees that it will not claim any such immunity in any proceedings.

2.9 PTM levy

2.9.1 A Member shall ensure collection of the PTM levy from its Client where a Transaction is executed in equity securities of a company incorporated in the United Kingdom, the Channel Islands or the Isle of Man. Information on the PTM levy is available on the website of the Panel on Takeovers and Mergers (www.thetakeoverpanel.org.uk).

**EURONEXT LONDON
RULES – BOOK II**

SECTION 3 – ADMISSION TO TRADING AND CONTINUING OBLIGATIONS OF ISSUERS

3.0 Definitions

3.0.1 For the purpose of this Section 3, the following capitalized terms shall, unless specifically provided otherwise, have the following meanings:

Applicant	an Issuer that is proposing to apply, or is applying, for admission to trading of any of its Securities;
Application Form	a form filed by an Applicant with the Exchange requesting admission to trading of Securities, notably setting forth the commitments and undertakings from the Issuer vis-à-vis the Exchange in connection with an application for admission to trading of Securities and, to the extent the latter is approved by the Exchange, serving as evidence of the contractual relationship between the Exchange and the Issuer.
Competent Authority	the public authority or self-regulatory body having jurisdiction over the relevant matter;
Issuer	any company or other legal person or undertaking (including a public sector issuer) any class of whose Securities has been admitted or is, or is proposed to be, the subject of an application for admission to trading;
Listed or (admitted/admission to) listing	(a) for companies for which the FCA is the home Competent Authority, listed is as defined under the Listing Rules; (b) for other companies, listed is defined as admitted to listing in accordance with their Competent Authority's rules and listing shall be construed accordingly;
Listing Rules	the Listing Rules of the FCA from time to time in force;
Official List	the list maintained by the FCA in accordance with section 74(1) of the Financial Services and Markets Act 2000;

Penalty Bench	a special compartment maintained by the Exchange grouping together Issuers that do not comply with the Rules.
Recovery Box	a special compartment maintained by the Exchange grouping together Issuers that are subject to insolvency procedures.
Regulated Information Service	a Regulated Information Service that is approved by the FCA as meeting the Criteria for Regulated Information Services and that is on the list of Regulated Information Services maintained by the FCA.

3.1 Scope of Section 3

3.1.1 This Section 3 sets forth:

- (a) the requirements and procedures for the admission to trading and cancellation of admission to trading of Securities, and
- (b) the listing measures that can be taken to facilitate the fair, orderly and efficient operation of the Market;
- (c) the continuing obligations of Issuers whose Securities are admitted to trading with their consent (including, without limitation, informing the Exchange of corporate and securities events).

3.1.2 (a) For the purposes of this Section 3, admission to trading shall mean the admission to trading of Securities on the Market by the Exchange at the request of, or after having informed, the Issuer, and cancellation of admission to trading shall be construed accordingly. It should be noted that the Exchange is not the Competent Authority for admission to listing in the UK.

- (b) Issuers whose Securities are not already admitted to listing on another Regulated Market will need to apply to the FCA for admission to the Official List at the same time as the application to the Exchange for admission to trading is made and, as required by the Listing Rules, admission to the Official List is dependent upon the Securities being admitted to trading on a Regulated Market and vice versa.
- (c) Issuers whose Securities are admitted to listing on another Regulated Market who apply to the Exchange for the admission to trading of such Securities on the Market shall be required to comply with Rules 3.0 to 3.10 inclusive except that references to FCA shall be interpreted to be references to the relevant Competent Authority as the context requires. However, where the Securities are already listed on another Euronext Market for Securities, all obligations on the Issuer to provide information to the Exchange pursuant to this Rule Book shall be deemed to be discharged if the Issuer provides such information to that Euronext Market Undertaking pursuant to Chapter 6 of the Euronext Rule

Book. For the avoidance of doubt, Issuers whose Securities are admitted to listing on another Regulated Market are not required to make an application to the FCA for listing.

3.1.3 The Exchange is a Recognised Investment Exchange under UK law. This means the Exchange is required to take all necessary steps to ensure that all Securities admitted to trading on the Market, and all dealings in those Securities are in accordance with the primary and secondary market regulatory obligations set out in the FCA's sourcebook for Recognised Investment Exchanges.

3.1.4 The FCA shall be competent for all matters conferred on it pursuant to section 72 of the UK's Financial Services and Markets Act 2000. The Exchange shall be competent for all matters with respect to admission to trading and cancellation of admission to trading of Securities and the continuing obligations of Issuers as set forth in this Section 3, unless provided otherwise by UK law and regulations.

For the avoidance of doubt, the Exchange may provide information concerning or received from an Issuer to the Competent Authority pursuant to Euronext Rule 1602A.

3.1.5 Issuers of Securities that are admitted to trading on the Market must comply with the disclosure and reporting obligations pursuant to National Regulations to ensure transparency for investors and market integrity.

3.1.6 References to amounts denominated in euros in any Notices, or supplementary requirements imposed, pursuant to this Section 3 shall be deemed to refer to equivalent amounts in other currencies.

3.1.7 Issuers must satisfy the obligations as set forth in this Section 3 to enable the Exchange to perform its functions and meet its responsibilities as the operator of a Regulated Market.

3.1.8 The Exchange shall, if there has been an actual infringement or it has serious indications of a potential infringement by an Issuer of National Regulations of initial or ongoing listing obligations, report the matter to the relevant Competent Authority as soon as practicable after becoming aware of such (potential) infringement.

3.2 Application procedure

3.2.1 An application for admission to trading must be filed with the Exchange by submitting a duly signed Application Form.

An Issuer must ensure that all information provided in connection with the application for admission to trading is in all respects accurate, complete and not misleading. An Issuer must be open, honest and co-operative in all dealings with the Exchange.

3.2.2 The Exchange and the Applicant shall jointly agree on a timetable in respect of the admission to trading.

3.2.3 The Application Form for the first admission to trading of Securities must be signed and filed by the Applicant.

An Issuer must identify a contact person within its organisation who will be responsible for communications between the Exchange and the Issuer. This contact person must be authorised to represent the Issuer in the context of the admission to trading process. The Issuer may also appoint an external contact person to act as the day-to-day contact point with the Exchange on regulatory matters. The Exchange must be notified in writing of any changes thereafter.

3.2.4 The Application Form for the admission to trading of Depository Receipts must also be signed by the Issuer of the Underlying Securities.

3.2.5 The Exchange may:

- (a) impose on an Applicant, on a specific case-by-case basis, such supplementary admission to trading requirements in addition to those specified in Market Rules 3.6 and 3.7 as it reasonably considers appropriate and of which it shall duly inform the Applicant in respect of an application for admission to trading prior to its decision on the application;
- (b) require any additional documentation and information from an Applicant; and/or
- (c) conduct such inquiries or investigations as may reasonably be required in connection with its review of an application for admission to trading.

3.3 Decision by the Exchange

3.3.1 Unless agreed otherwise by the Applicant and the Exchange, the Exchange shall take a decision in respect of an application for admission to trading within a maximum period of thirty (30) days.

The period shall begin as of the date the Exchange has received a complete set of the documentation and the information required pursuant to Market Rule 3.5.

3.3.2 The decision of the Exchange to admit Securities to trading shall remain valid for a maximum period of ninety (90) days, except if the Exchange becomes aware that any information provided in connection with the application for the admission to trading has changed during this period. Upon the written request of the Issuer, the Exchange may extend this period once for a maximum of a further ninety (90) days. Any decision by the Exchange to admit Securities to trading is conditional upon the FCA agreeing to admit such Securities to listing.

3.3.3 Pursuant to Market Rules 3.1.2 and 3.2.2, the Exchange shall determine the date on which the admission to trading of Securities should become effective and shall issue a Notice in relation to that date, the Market of Reference, any conditions and other relevant particulars in respect of admission to trading of the relevant Securities. The Exchange may issue a subsequent Notice in relation to the admission to trading, confirming, among other things, that the conditions have been satisfied and re-confirming the date on which the admission to trading shall become effective.

3.3.4 In the case of a public offer of Securities, the admission to trading shall become effective only after the completion of the subscription period, except in the case of tap issues of Securities when the closing date for subscription is not yet fixed.

3.4 Grounds for refusal

3.4.1 The Exchange may refuse an application for admission to trading of a Security on any appropriate ground, including (without limitation) if:

- (a) the Applicant does not meet one or more of the requirements imposed by or pursuant to this Section 3 or any applicable National Regulations; or
- (b) it considers that admission to trading of the Securities may be detrimental to the fair, orderly and efficient operation of the Market or to the reputation of the Exchange as a whole; or
- (c) a Security is already admitted to listing or admitted to trading on another market and the Issuer has not complied or does not comply with the obligations resulting from such admission;
- (d) the Issuer, any of its board members (including supervisory board members) or its beneficial owners are on the EU Sanction List or on the list drawn up by the Office of Foreign Affairs Control (OFAC).

3.4.2 The Applicant shall be informed in writing of the decision to refuse an application for admission to trading and the reasons for this refusal.

3.4.3 Subject to Rule 2.8, an Applicant may appeal against the decision of the Exchange to refuse an application for admission to trading in accordance with National Regulations.

3.5 General documentation to be furnished at the time of the application

3.5.1 At the time of the application, to the extent applicable, the following documentation must be provided to the Exchange:

- (a) the Application Form duly signed by the Issuer;
- (b) the documents specified in the Application Form including but not limited to documentation evidencing to the satisfaction of the Exchange that:
 - (i) the legal position and organisation of the Issuer are in accordance with applicable laws and regulations
 - (ii) the administration of corporate and securities events and the payment of dividend (if applicable) are ensured;
 - (iii) adequate procedures are available for the clearing and settlement of Transactions in respect of the relevant Securities;
- (c) a copy of the prospectus (or equivalent disclosure document) issued by the Issuer in connection with the application to trading and each draft version of

such prospectus (or equivalent disclosure document) and, in the case of a prospectus approved by a Competent Authority in another Member State, confirmation that the actions required by section 87H of the UK's Financial Services and Markets Act 2000 have been undertaken;

- (d) a copy of the minutes from the relevant corporate body or bodies containing resolutions authorising the application for admission to trading and issue of Securities (to the extent applicable);
- (e) a statement from the Issuer that it has filed or intends to file in the near future a similar application for listing of the relevant Securities with another Regulated Market or organised market;
- (f) a copy of the Regulated Information Service announcement relating to the admission; and
- (g) the active LEI pertaining to the Issuer.

The documentation referred to in this Market Rule 3.5.1 is provided to the Exchange under the sole responsibility of the Applicant and to allow the Exchange to check if the Issuer satisfies the admission requirements set out in Market Rules 3.6 and 3.7. The Exchange shall not be liable for false or incomplete information provided by the Applicant (or, once the Securities have been admitted to listing, the Issuer) in connection with the admission to trading of Securities..

3.5.2 The Exchange may further specify, in one or more Notices, which documentation is deemed to be satisfactory. Without prejudice to Market Rule 3.5.3 and in addition to the documentation and information required pursuant to Market Rule 3.5.1, the Exchange may specify by Notice other documentation that must be supplied in respect of particular categories of Securities.

3.5.3 All documentation that is required to be submitted pursuant to this Section 3 shall be in English or in a language accepted by the Exchange and if necessary translated by a qualified translator.

3.6 General Admission requirements for Securities

3.6.1 Upon admission to trading and for as long as the Securities are traded:

- (a) the Issuer must comply with the requirements specified by the FCA pursuant to its role as Competent Authority; and
- (b) adequate procedures must be available for the clearing and settlement of Transactions in respect of such Securities.

3.6.2 The Issuer shall apply for admission to trading for all Securities of the same Class issued at the time of the application or proposed to be issued.

3.6.3 The Issuer may decide to distribute in whole or in part Securities through a centralisation process organized by the Exchange. The Exchange shall specify such procedure in a Notice.

3.6.4 The Exchange may create specific segments based on market capitalisation criteria or other criteria, and allocate Securities to those distinct segments. The allocation will be reviewed periodically. Securities included in a special segment as foreseen in Market Rule 3.9.3 are not included in these segments.

3.7 Additional admission requirements per category of Securities

3.7.1 In addition to the general admission requirements set forth in Market Rule 3.6, this Market Rule 3.7 contains additional requirements regarding the admission to trading of specific categories of Securities.

3.7.2 The admission to trading of other transferable Securities shall be subject to such specific requirements as the Exchange may define by Notice taking into account the nature of the Securities for which admission is sought and, as far as possible, the general admission requirements specified in this Section 3 for comparable Securities.

3.7.3 The Exchange may determine that certain other transferable Securities do not qualify for admission to trading.

3.8 Additional requirements for the admission to trading of Securities on an “If-and-When-Issued/Delivered” basis

3.8.1 At the request of the Issuer, the Exchange may admit to trading Securities that have not yet been effectively issued and/or delivered, as applicable, (and such admission to trading will be referred to as an admission on a “If and When-Issued/Delivered” basis) for a maximum period of time not exceeding the standard settlement date calculated from the first date of such admission on an If-and-When-Issued/Delivered basis (unless agreed otherwise). In addition to the general admission requirements in Market Rules 3.6 and 3.7, admission to trading of Securities on an “If and When Issued/Delivered” basis is subject to the following conditions being met:

- (a) the Issuer has provided to the Exchange a description of the various elements that will be taken into account by the Issuer to determine whether or not to cancel the admission to trading;
- (b) the Issuer has informed the Exchange of the expected date on which the admission to trading of the Securities on a If and When Issued/Delivered basis will start and the date on which such admission on a If and When Issued /Delivered basis will end;
- (c) the Issuer has taken adequate measures to ensure that sufficient information is made available to potential investors and other market participants regarding the consequences of a cancellation of the admission to trading;
- (d) a commitment from the Issuer that it will immediately inform the Exchange of the completion of the issuance and/or delivery of the Securities; and
- (e) a commitment from the Issuer that it will immediately inform the Exchange if it is not in a position to issue and/or deliver the Securities by the date expressed

in the prospectus or any equivalent document as the expected date for completion of the offering.

If the Securities admitted on an If and When Issued/Delivered basis are not issued and/or delivered by the date expressed in the prospectus or equivalent disclosure document as the expected date of completion of the offering, the offer may be withdrawn by the Issuer and subsequently all Transactions made in such Securities shall be annulled.

The Issuer shall ensure that the prospectus (or any equivalent disclosure document) issued in connection with the admission to trading of the relevant Securities will contain a warning to this effect.

The Exchange shall not be liable for any loss incurred by any person as a result of the withdrawal of the offer by the Issuer and/or the subsequent annulment of the relevant Transactions.

The Issuer shall ensure that the prospectus (or equivalent disclosure document) issued in connection with the admission to trading of the relevant Securities shall contain a statement to that effect.

3.9 Measures for fair and orderly market

3.9.1 General

3.9.1.1 The Exchange may take all such measures in respect of Financial Instruments admitted to trading on the Market as it deems necessary to facilitate the fair, orderly and efficient operation of the Market. The Exchange will inform the Issuer on any measure taken by it as soon as practicable possible.

3.9.1.2 Subject to National Regulations, the Exchange may, inter alia, take the following measures:

- (a) impose specific conditions upon an Issuer to ensure that the obligations imposed and the requirements set pursuant to this Section 3 are being complied with;
- (b) allocate a Security to a special compartment;
- (c) list a Security with a special indicator;
- (d) issue a notice informing the market that an Issuer does not comply with its obligations set forth in the Rules;
- (e) suspend the trading of a Security pursuant to Euronext Rule 4403; and/or
- (f) cancel the admission to trading of the Security.

3.9.1.3 The Exchange shall not exercise its power to suspend or remove from trading a Security which no longer complies with the Market Rules where such step would be likely to

cause significant damage to the interests of investors or the orderly functioning of the financial markets.

3.9.2 [Reserved]

3.9.3 Specific compartments – Recovery Box and Penalty Bench

3.9.3.1 The purpose of allocating Securities to the Recovery Box is to group together Securities of Issuers that are subject to insolvency proceedings.

The purpose of allocating Securities to the Penalty Bench is to group together Securities of Issuers that do not comply with the Rules.

In the context of allocation of Securities of Issuers to the Recovery Box or the Penalty Bench the Exchange will regularly examine the situation of Issuers..

3.9.3.2 The Exchange may decide to include a Security in the Recovery Box if any of the insolvency proceedings specified in:

- (a) Annex A of Council Regulation EC No 1346/2000 of 29 May 2000, as amended from time to time; or
- (b) analogous procedures in a State that (i) has not adopted the afore-mentioned Regulation or (ii) is not a Member State,

has been declared applicable to the Issuer of such Security.

The allocation of the relevant Securities to the Recovery Box shall be terminated at the request of the Issuer or at the initiative of the Exchange provided that an Issuer provides satisfactory evidence that that the insolvency proceedings no longer apply to the Issuer.

3.9.3.3 The Exchange may decide to include a Security in the Penalty Bench if the Issuer fails to comply with the Rules. The allocation of the relevant Securities to the Penalty Bench shall be terminated at the request of the Issuer or at the initiative of the Exchange provided that the Issuer has satisfied the requirements and conditions determined by the Relevant Market Undertaking – in its absolute discretion – for re-allocation of the relevant Securities to the normal compartment

3.9.3.4 The Exchange may further specify the criteria and the procedures for the allocation of Securities to a special compartment (including the Recovery Box or the Penalty Bench) in one or more Notices.

3.9.4 [Reserved]

3.9.5 Cancellation of admission to trading and suspension

3.9.5.1 The Exchange shall cancel the admission to trading of Securities:

- (a) if the FCA informs the Exchange that it has cancelled the listing of such Securities; or

(b) at the direction of a Competent Authority.

The Exchange shall, pursuant to Market Rule 2.5, suspend trading in any Security:

(a) if it becomes aware that the FCA has suspended the listing of such Security; or

(b) at the direction of a Competent Authority.

3.9.5.2 The Exchange may cancel the admission to trading of Securities:

(a) at the written request of the relevant Issuer; or

(b) on its own initiative. or

(c) at the direction of a Competent Authority.

The Exchange may cancel the admission to trading of Securities traded on the Market on its own initiative on any appropriate grounds including (without limitation):

(i) manifest failure of the Issuer to comply with the obligations imposed and the requirements set pursuant to the Rules or the Application Form;

(ii) the legal entity that has issued the Securities shall cease to exist pursuant to a liquidation, merger, dissolution (or equivalent corporate event in any jurisdiction);

(iii) the Issuer of the Securities has been declared insolvent (or analogous procedure has been granted or declared applicable in any jurisdiction);

(iv) without prejudice to Euronext Rule 4403/2 if, in the opinion of the Exchange, facts or developments occur or have occurred with regard to a Security which prevent the continued trading of that Security or which cause the Exchange to believe that a fair, orderly and efficient market for a Security cannot be maintained;

(v) adequate clearing and/or settlement services for the Securities are no longer available;

(vi) cancellation of admission to trading of the Securities into which they are convertible or for which they are exchangeable;

(vii) facts or developments occur or have occurred in respect of an Issuer which in the opinion of the Exchange is detrimental to the reputation of Euronext as a whole; or

(viii) the Issuer or its beneficial owners are on the EU Sanction List or the list drawn up by the Office of Foreign Assets Control (OFAC).

3.9.5.3 If the Exchange decides to cancel the admission to trading of a Security pursuant to Market Rule 3.9.5.2(b), the following procedure shall apply:

- (a) the Exchange shall inform the Issuer of its intention to cancel the admission to trading and give the Issuer the opportunity to respond before the relevant decision on the cancellation is made;
- (b) the Exchange shall determine the date on which cancellation of admission to trading of the Securities shall become effective as well as any conditions of cancellation of admission to trading and any other relevant information concerning the cancellation;
- (c) the Exchange shall notify the Issuer in writing of the scheduled date of the cancellation of the admission to trading; and
- (d) the Exchange shall publish the date on which the cancellation of the admission to trading of the Securities shall become effective as well as the conditions of delisting and any other relevant information concerning the cancellation.

On the date on which the cancellation of the admission to trading of the Securities becomes effective the agreement between the relevant Issuer and the Exchange (constituted by the Application Form) will be terminated without any further action being required.

3.9.5.4 If a request for cancellation of admission to trading of Securities is made by the Issuer pursuant to Market Rule 3.9.5.2(a):

- (a) the Issuer of the relevant Securities shall request the cancellation of admission to trading of the Securities in writing and state the grounds for such cancellation;
- (b) subject to the relevant conditions for the cancellation of trading of the Securities being satisfied, the Exchange shall determine the date on which the cancellation of the Securities shall become effective; and
- (c) the Exchange shall publish the date on which cancellation of admission to trading of the Securities shall become effective.

The Exchange may specify by Notice the conditions that should be satisfied in relation to a cancellation of trading of Securities at the request of an Issuer.

Notwithstanding the above, the Exchange may decide not to cancel the trading of the Securities upon the Issuer's request if such delisting would adversely impact the fair, orderly and efficient functioning of the market.

3.9.5.5 The Exchange may subject any cancellation of admission to trading of Securities to such additional requirements as it deems appropriate.

3.9.5.6 Cancellation will only be effective subject to the Issuer complying with any legal or regulatory obligation and providing the Exchange with appropriate confirmation.

Cancellation will only be effective once all outstanding subscriptions, charges, fees or other sums due from the Issuer to the Exchange have been paid in full.

3.9.5.7 Any decision or action taken by the Exchange pursuant to Market Rule 3.9.5 shall be taken after consulting and reaching agreement with the FCA.

3.9.6 Appeals

3.9.6.1 Subject to Market Rule 2.8, an Applicant or Issuer may appeal against a decision taken by the Exchange pursuant to Market Rule 3.9.5 in accordance with National Regulations.

3.10 Continuing obligations

3.10.1 Scope of the Continuing obligations

Each Issuer must meet the obligations set forth in this Market Rule 3.10 as long as its Securities are admitted to trading.

The Exchange may further detail those obligations in one or more Notices.

For the avoidance of doubt, none of the obligations set out in this Market Rule 3.10.1 shall exempt Issuers from complying with the disclosure or reporting obligations pursuant to National Regulations.

3.10.2 Fees

An Issuer shall pay any fees charged by the Exchange in accordance with the conditions established by the Exchange and communicated to Issuers.

3.10.3 Admission to trading of Newly-Issued Securities of the Same Class

When additional Securities of the same class as Securities already admitted to trading are issued, application for admission to trading of such additional Securities shall be made:

- (a) as soon as they are issued in a case of a public offering of Securities; and
- (b) no later than ninety (90) days after their issue in cases other than a public offering.

3.10.4 Investor Relations

3.10.4.1 Equal treatment

An Issuer shall treat holders of Securities of the same class issued by it equally in accordance with the National Regulations.

3.10.4.2 Information

An Issuer shall provide the Market with all necessary information to enable holders of its Securities to exercise their rights as holders of the Securities.

An Issuer shall communicate to the Exchange all information which (i) may impact the fair, orderly and efficient functioning of the markets operated by the Exchange or (ii)

may modify the price of its Securities (ultimately) at the same time at which such information is made public.

The Exchange may specify by Notice specific obligations regarding disclosure and reporting obligations.

3.10.5 Administration of securities events

3.10.5.1 Each Issuer shall inform the Exchange of corporate or securities events in respect of its Securities admitted to trading in order to facilitate the fair, orderly and efficient functioning of the Market.

The relevant information shall be provided to the Exchange at least two (2) Trading Days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event or (ii) the corporate or securities event having effect on the Market or the position of the holders of the relevant Securities.

At the request of the Exchange the Issuer shall provide to the Exchange the underlying legal and corporate documents relating to the corporate and securities events having effect on the Market or the position of the holders of the relevant Securities. The Exchange may further specify by Notice the details, documents and method of submission of the information and documents to be provided and submitted to it pursuant to this Market Rule 3.10.5.1.

For the avoidance of doubt, any obligation for Issuers to provide documentation to the Exchange as set forth in this Chapter 3 is for the sole purpose of allowing the Exchange to perform its functions and meet its responsibilities as the operator of a Regulated Market. In reviewing this documentation, the Exchange solely performs controls on the technical information that allow the Exchange to operate the Market, without prejudice to Market Rule 3.9. None of these obligations exempts the Issuer from providing the same documentation to the Competent Authority.

3.10.5.2 The information referred to in Market Rule 3.10.5.1 includes (without limitation) any:

- (a) amendments which affect the respective rights of different categories of Securities;
- (b) any issue of Financial Instruments;
- (c) any mandatory reorganization (e.g. stock split, reverse stock split, redemption in part or in whole of Securities);
- (d) any voluntary reorganisation with or without option element (e.g. tender offer, rights offer, repurchase offer);
- (e) any securities distribution (e.g. stock dividend, bonus issue);
- (f) any cash distribution (e.g. cash dividend);
- (g) any announcement of coupons or cash;

- (h) prospectus (or equivalent document) relating to public offerings;
- (i) any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or that analogous procedure has been granted or declared applicable in any jurisdiction);
- (j) a name change of the Issuer; and
- (k) admission to trading on any Regulated Market or other organised market.

3.10.5.3 If the admission to trading concerns Depositary Receipts warrants or other Securities entitling holders to acquire other Securities, the information mentioned in Market Rule 3.10.5.1 includes (without limitation) and in addition to the information referred to in Market Rule 3.10.5:

- (a) corporate or securities events of the issuer of the Underlying Securities; and
- (b) any adjustment or modification that the Issuer makes to the exercise condition of the warrant as a result of any change in or to the Underlying Securities including details of the event that required the adjustment or modification.

3.10.6 Legal Entity Identifier

3.10.6.1 An Issuer shall take all necessary measures to have its LEI active for as long as its financial instruments are admitted to trading on a Euronext Securities Market.

3.11 Admission to trading without the consent of the Issuer

3.11.1 If, pursuant to Article 40(5) of MIFID, the Exchange admits a Security to trading without the consent of the Issuer, the Issuer shall not be bound by the provisions of Rules 3.1 to 3.10 inclusive of this Section 3 of the Rule Book in respect of that Security.

3.11.2 Rule 3.11.1 is without prejudice to the prospectus requirements imposed by the Prospectus Directive (Directive of the European Parliament and of the Council 2003/71/EC).

**EURONEXT LONDON
RULES – BOOK II**

SECTION 4 - ENFORCEMENT OF RULES

4.1 General

- 4.1.1 Without prejudice to any step which has been or may be taken under the Default Rules, an alleged violation of a Relevant Obligation or an alleged breach by a Member of an ATS user agreement, or of any agreement made thereunder, shall be investigated in accordance with the provisions of this Section 4 of the Market Rules except in cases where the Board reserves responsibility for the investigation to itself or delegates such responsibility to a committee or makes other provision for the alleged violation or breach to be dealt with. Steps taken under this Section 4 of the Market Rules with respect to an alleged breach of an ATS user agreement or any agreement made thereunder shall be without prejudice to the Exchange's rights under any such agreement.
- 4.1.2 One or more Disciplinary Panels shall be appointed from time to time under Market Rule 4.2.2. Such Panels shall be deemed to be committees of the Board.
- (a) A person may serve as a member of a Disciplinary Panel if at the time of his appointment he has no material personal or financial interest in the proceedings; and
- (i) in the opinion of the Board, he is or has been connected with the Market or is otherwise knowledgeable about the Market; and
- (ii) he is authorised by the Board to be appointed.
- (b) If, following appointment, the person becomes aware that he may have a material personal or financial interest in the proceedings, he may continue to serve provided that his interest is disclosed to each Relevant Person who is the subject of the proceedings and the Board and that Relevant Person consent.
- 4.1.3 A Relevant Person subject to disciplinary proceedings may object to the appointment of a member of a Disciplinary Panel upon reasonable grounds and must serve written notice of such objection on the Board within ten business days of being notified of the appointment of the Disciplinary Panel.
- 4.1.4 In addition to the appointment of Disciplinary Panels, this Section 4 of the Market Rules provides for the operation of a settlement procedure, referrals by the Compliance Officer under procedures implemented pursuant to Market Rule 2.4.2, and the serving of Compliance Officer warnings.

4.2 Investigation of alleged violations of the Market Rules and authorisation of Panel hearings

4.2.1 Subject to the provisions of Market Rules 4.3A, 4.3B and 4.3C, an alleged violation of the Rules shall be the subject of a preliminary investigation by the Compliance Officer who shall report his findings to the head of Euronext's Compliance Department or his appointed deputy (the "Appointed Official").

4.2.2 The Appointed Official may, where he is satisfied that there is prima facie evidence of a violation of the Rules, authorise a hearing by a Disciplinary Panel to consider and determine the alleged violation and, where he does so, shall appoint a chairman and two other persons to serve as members of the Disciplinary Panel.

4.3A Referrals by the Compliance Officer

4.3A.1 An alleged violation of the Rules may be referred by the Compliance Officer for investigation under procedures implemented pursuant to Market Rule 2.4.2 where the Compliance Officer has agreed with the Appointed Official that it is appropriate to do so.

4.3B Compliance Officer warnings

4.3B.1 Where a Relevant Person admits a violation of the Rules, the Compliance Officer shall, in his absolute discretion, determine whether or not the violation is relatively minor in nature and, if so, may determine that a Compliance Officer warning should be issued. Before any such warning may be issued, ratification will be required by the Appointed Official. In the event that the warning is not ratified, the Compliance Officer shall continue its preliminary investigation in accordance with Market Rule 4.2.1. In the event of ratification, the warning will be issued and served on the Relevant Person.

4.3B.2 A Compliance Officer warning shall be in writing and may be taken into consideration by the Exchange when considering subsequent violations of the Rules by the Relevant Person in question.

4.3C Settlement proceedings

4.3C.1 On application by the Relevant Person(s) alleged to have committed the violation(s) of the Rules, the Compliance Officer may, in his absolute discretion, agree to the initiation of settlement proceedings.

4.3C.2 The terms of any settlement shall be agreed between the Compliance Officer and the Relevant Person(s) and submitted in writing first to the Appointed Official and second to the chairman of the Board (or their acting deputies) for ratification respectively. In the event that the agreed settlement is not ratified, the Compliance Officer shall continue its preliminary investigation in accordance with Market Rule 4.2.1.

4.3C.3 Where some but not all of the Relevant Persons subject of an investigation apply for settlement, or are able to agree settlement terms, any agreed settlement will be deemed to be a "settlement in principle", and will be subject to amendment or ratification as part of the Panel proceedings arising from the same investigation.

4.3C.4 Upon ratification by the Appointed Official and the chairman of the Board (or their acting deputies), or, in the case of “settlement in principle”, by the relevant Panel, the terms of any agreed settlement shall take effect.

4.3C.5 The procedures governing settlement and settlement in principle shall be determined from time to time by the Exchange and shall be published by means of a Notice.

4.4 Disciplinary Panel

4.4.1 An alleged violation of the Rules shall be considered and determined by a Disciplinary Panel where one is authorised for that purpose under Market Rule 4.2.2. If during the proceedings it appears to the Disciplinary Panel that a further violation of the Rules may have been committed, the Disciplinary Panel may consider and determine such apparent additional violation of the Rules without referring back to the Appointed Official or to the Compliance Officer. If in so doing the Disciplinary Panel considers that there is prima facie evidence of such further violation of the Rules, it shall notify the Relevant Person of the allegation and shall provide the Relevant Person with an opportunity to respond. The Disciplinary Panel may request the Compliance Officer to provide such further information as it thinks necessary for the purpose of the proceedings.

4.4.2 Subject to Market Rules 4.4.3 to 4.4.7, a Disciplinary Panel may meet together for the purposes of the proceedings, adjourn, and otherwise regulate its meetings as it thinks fit. Any hearing shall be in private and its proceedings confidential and the Disciplinary Panel’s decision shall be pronounced in private and remain confidential, subject to Market Rule 4.6, unless the Panel decides, having afforded each Relevant Person concerned the opportunity to make representations, that the hearing or any part of the hearing should be held in public and/or that the decision of the Disciplinary Panel or any part of it should be pronounced publicly.

4.4.3 The quorum for a Disciplinary Panel shall be the whole Panel unless a different quorum is consented to by each Relevant Person who is the subject of the proceedings. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote. A Disciplinary Panel may from time to time appoint additional persons who may attend at any meeting to assist its deliberations but who shall not have a vote, provided the Relevant Person(s) alleged to have committed the violation(s) of the Rules have been given the opportunity to make representations on such appointments.

4.4.4 The Relevant Person(s) alleged to have committed the violation(s) of the Rules shall be given the opportunity and may be required by the Disciplinary Panel to attend and to give evidence before the Disciplinary Panel and may be assisted by or represented by an additional person(s) as is reasonable in the circumstances as determined by the Disciplinary Panel, having afforded the Relevant Person(s) the opportunity to make representations. Any person who has alleged the violation of the Rules may be required by the Disciplinary Panel to attend before it and to give evidence.

4.4.5 The Disciplinary Panel and the Relevant Person(s) alleged to have committed the violation(s) may call upon any person (including the Compliance Officer) to attend before the Disciplinary Panel and to give evidence.

4.4.6 The Relevant Person(s) alleged to have committed the violation(s) shall be given notice of every attendance before the Disciplinary Panel by a person who has alleged the violation or a person called upon by the Disciplinary Panel under Market Rule 4.4.5, and shall be allowed the opportunity of attending the proceedings throughout such attendance and of questioning such person on his evidence.

4.4.7 Any person entitled, required or called upon to attend before the Disciplinary Panel shall be given reasonable notice, confirmed in writing, specifying the date and place of the meeting and the subject of the proceedings.

4.4.8 The findings of the Disciplinary Panel, and particulars of any sanction, shall be communicated in writing to the Relevant Person(s) alleged to have committed the violation(s) of the Rules. Such findings and sanction shall be deemed conclusive and binding upon expiry of the period permitted for appeal under Market Rule 4.7.1 or, if earlier, upon receipt of written notice by the Compliance Officer from the Relevant Person(s) affected that the right to make such appeal will not be exercised.

4.4A Standard of proof

4.4A.1 The standard of proof that applies in respect of disciplinary proceedings instituted under this Section 4 of the Market Rules is the civil standard of proof, by which the weight of evidence required varies according to the nature and gravity of the particular allegation.

4.4A2 A Disciplinary Panel may take account of, and attach such weight as it thinks fit to, any evidence or other material put before it. A Panel shall not be bound by any law or procedural rule relating to the admissibility or otherwise of evidence.

4.4A3 No party to disciplinary proceedings, or any other matter to which this Section 4 applies, shall be required to produce any document which is the subject of legal professional privilege.

4.4B Service of documents

4.4B.1 Service of any document on a party to disciplinary proceedings may be validly effected by sending it to, or leaving it at, that party's last known address.

4.5 Sanctions

4.5.1 The sanctions which may be imposed by a Disciplinary Panel shall not exceed the following:

- (a) where a Disciplinary Panel finds that a Relevant Person (not being a Responsible Person) has violated the Rules:
 - (i) a fine, subject to the limit fixed by Market Rule 2.7.1 or any lesser limit stipulated by the Board;
 - (ii) the issue in writing of a warning or reprimand; or

- (iii) a recommendation to the Board that (subject to Market Rule 5.1.1) the Relevant Person be expelled or that some or all of his rights be suspended or that any arrangement under which such Relevant Person provides facilities and/or services be terminated, as the case may be.
- (b) where a Disciplinary Panel finds that a Responsible Person has violated the Market Rules:
- (i) a fine, subject to the limit fixed by Market Rule 2.7.1 or any lesser limit stipulated by the Board;
 - (ii) the issue of a warning or reprimand;
 - (iii) the suspension of such Responsible Person's registration for a stipulated period;
 - (iv) the suspension of such Responsible Person's registration for a stipulated period to take effect in the event that such Responsible Person violates the Rules, or any specified Rule, within a specific period not exceeding twelve months; or
 - (v) the revocation of such Responsible Person's registration.

The sanctions which may be imposed as a result of settlement proceedings initiated pursuant to Market Rule 4.3C are the same as those that may be imposed by a Disciplinary Panel.

4.5.2 A Disciplinary Panel may invite the Exchange to make submissions on the appropriate sanctions.

4.5A Costs

4.5A.1 A Disciplinary Panel may order a Relevant Person to pay costs, including any costs which, in the Disciplinary Panel's view and regardless of the outcome of the case, have been unnecessarily caused. Costs may include, but shall not be limited to, the administration costs and costs incurred in the investigation and presentation of the results of the preliminary investigation by the Compliance Officer, as well as any costs of any legal or other professional advisers and the expenses/cost of the Disciplinary Panel.

4.5A.2 Costs may be awarded against the Exchange only if, in the opinion of the Disciplinary Panel, the Exchange has behaved unreasonably in the commencement or conduct of the proceedings and shall be limited to a Relevant Person's disbursements in such sum as the Disciplinary Panel shall think fit. For the purposes of this Market Rule 4.5A.2, "disbursements" shall be limited to external legal or other external professional support.

4.5A.3 The Disciplinary Panel may determine the amount of costs in such manner as it sees fit.

4.5A.4 Costs shall be payable within twenty-eight calendar days of written notice of the determination of the amount by a Disciplinary Panel or of written notice of the

determination of any appeal to an Appeal Panel against a Disciplinary Panel's determination, whichever is the later.

4.6 Publication of findings and sanctions

4.6.1 With the exception of Compliance Officer warnings (see Market Rule 4.3B) and settlement notices (see Market Rule 4.6.1A), publication of violations of the Rules and of any sanctions shall be made by Notice. A copy of the Notice shall be sent by the Compliance Officer to:

- (a) the Relevant Person(s) found to have violated the Rules;
- (b) any person who alleged the violation; and
- (c) any other person to whom in the Panel's opinion in the circumstances such copy should be sent.

In the event of an appeal against a finding or a determination as to sanctions made under this section 4 of the Market Rules, such notification shall not be made until the Appeal Panel has decided upon such appeal.

4.6.1A Publication of an agreed settlement shall be made by means of a settlement notice which shall take the form of a Notice. A copy of the settlement notice shall be sent by the Market Secretary to:

- (a) the Relevant Person(s) found to have violated the Rules;
- (b) any person who alleged the violation; and
- (c) any other person to whom in the opinion of the Compliance Officer in the circumstances such copy should be sent.

4.6.2 If a Disciplinary Panel finds that the allegation of a violation of the Rules is not substantiated, or on appeal the Appeal Panel decides that such allegation of a violation of the Rules is not substantiated, such finding shall be notified by means of a notice sent by the Compliance Officer to the Relevant Person(s) alleged to have violated the Rules and the persons specified in sub paragraphs (b) and (c) of Market Rule 4.6.1. The notice to the Relevant Person(s) will advise him that he may request that the finding be published. Any such request shall be made in writing to the Compliance Officer within ten business days of receipt of such notice. If such a request is made (but not otherwise), the finding shall be published by means of a Notice.

4.6.3 Notices produced for the purposes of Market Rule 4.6 shall be published by such means as determined from time to time by the Board and such determination shall be published by means of a Notice.

4.7 Appeal from Disciplinary Panel

4.7.1 A Relevant Person who is found by a Disciplinary Panel to have violated the Rules and is dissatisfied with the Disciplinary Panel's finding or decision may, within ten business days of receiving notice thereof, appeal to the Board against the same by serving a

Notice of Appeal on the Compliance Officer. The Notice of Appeal shall set out in writing the grounds of the appeal and shall contain a brief statement of all matters relied upon by the appellant. Implementation of any decision appealed against shall be suspended pending the determination of the appeal.

4.7.1A A Relevant Person may appeal against:

- (a) the findings of a Disciplinary Panel;
- (b) a sanction imposed by a Disciplinary Panel; and/or
- (c) any award of costs.

4.7.2 The grounds of appeal on any finding by a Disciplinary Panel of a violation of the Rules shall be any one or more of the following, that:

- (a) the Disciplinary Panel misdirected itself as to:
 - (i) the issues to be decided and/or the facts of the case;
 - (ii) the impact of the principles of natural justice on its procedures; and/or
 - (iii) the applicable Rules and law;
- (b) the Disciplinary Panel's finding was:
 - (i) one which no reasonable Disciplinary Panel should have reached;
 - (ii) unsupported by, or against the weight of, the evidence; and/or
 - (iii) based on a misinterpretation of the Rules or an error of law;
- (c) new evidence is available which, had it been before the Disciplinary Panel, could reasonably have led to a different finding. This will not apply if the appellant could have presented the evidence to the Disciplinary Panel, had he made reasonable efforts to obtain it; and/or
- (d) the Disciplinary Panel's procedure was unfair.

4.7.3 The grounds of appeal on sanctions shall be limited to the ground that the sanctions are excessive or otherwise inappropriate.

4.7.3A The grounds for any appeal against a costs award made pursuant to Market Rule 4.5A shall be limited to the ground that the costs awarded are excessive or otherwise inappropriate.

4.7.4 The Board shall appoint an Appeal Panel to consider and determine any such appeal. The Appeal Panel shall comprise a chairman who is a suitably qualified lawyer and two persons authorised to sit on appeal panels pursuant to Market Rule 4.7.5A.

- 4.7.5 (a) A person may serve as a member of an Appeal Panel (including as its chairman) if at the time of his appointment he has no material personal or financial interest in the proceedings; and
- (i) he is not a director of the Exchange;
 - (ii) (aa) with the exception of the chairman of the Panel, he is or has been connected with the Market or is otherwise knowledgeable about the Market, in the opinion of the Board, and
 - (bb) he is authorised by the Board to be appointed to consider an appeal; and
 - (iii) he has not participated in any of the processes conducted pursuant to Market Rules 4.2, 4.3C or 4.4 relating to the matter under appeal.
- (b) If, following appointment, the person becomes aware that he may have a material personal or financial interest in the proceedings, he may continue to serve provided that his interest is disclosed to each Relevant Person who is the subject of the proceedings and that each such Relevant Person consents.

4.7.5A A Relevant Person subject to disciplinary proceedings may object to the appointment of a member of an Appeal Panel upon reasonable grounds and must serve written notice of such objection on the Compliance Officer within ten business days of being notified of the appointment of the Appeal Panel.

4.7.6 The appellant may appear before the Appeal Panel and may make such representation in support of his appeal as he may think fit, provided that no new evidence of fact may be adduced unless the Appeal Panel is satisfied that there is good reason why such evidence was not adduced in the earlier proceedings.

4.7.7 Any appeal shall be by way of a rehearing. The Appeal Panel may consider, so far as may be relevant, the evidence and the course of the investigation. It may:

- (a) dismiss or allow the appeal;
- (b) confirm or amend the finding or determination as to sanction;
- (c) substitute its own finding or determination, to include increasing or decreasing the sanctions imposed; and/or
- (d) make any order as to costs of the appeal as it considered appropriate.

Should the Appeal Panel conclude that the original finding or determination ought to be declared invalid, whether due to unfairness in procedure or for some other reason, the Appeal Panel may proceed to hear such witnesses as it considers necessary to enable it to substitute its own finding or determination, following as necessary the procedures contained in Market Rules 4.4.3 to 4.4.7A.

4.7.7A Any hearing shall be in private and its proceedings confidential and the Appeal Panel's decision shall be pronounced in private and remain confidential, subject to Market Rule 4.6, unless the Appeal Panel decides, having afforded each Relevant Person concerned the opportunity to make representations, that the hearing or any part of the hearing should be held in public and/or that the decision of the Appeal Panel or any part of it should be pronounced publicly.

4.7.8 The finding or determination of sanction of the Appeal Panel and any order as to costs shall be final. Market Rule 4.5A4 shall apply as to costs.

4.7.9 An Appeal Panel may apply, adapt or waive any Market Rule relating to the conduct of the proceedings before it, as is appropriate.

4.8 Summary powers of suspension

4.8.1 Notwithstanding and without prejudice to the powers of Disciplinary and Appeal Panels to consider and decide upon alleged violations of the Market Rules, or to settlement proceedings under Market Rule 4.3C, an Exchange Official may, with the agreement of another Exchange Official, suspend the registration of a Responsible Person for a period of up to two business days upon reasonable belief that such suspension is necessary to protect the interests of the Exchange or its Members or to ensure an orderly market.

**EURONEXT LONDON
RULES – BOOK II**

SECTION 5 - EXPULSION AND SUSPENSION

5.1 Expulsion and suspension

5.1.1 The Board may, without any cause being assigned, at a meeting of the Board specially convened for the purpose at which not less than one-half of its number are physically present or, in accordance with the Articles, by written resolution or by resolution agreed to over the telephone, expel any Member from membership or suspend his rights of membership (including some or all of his rights in respect of any trading right) for a fixed term and the Board shall promptly notify a Member in writing of his expulsion or the suspension of any of his rights under this Rule and shall give reasons for its decision.

5.1.2 If a Member is Declared a Defaulter, suspends payment or calls a meeting of his creditors, if (in the case of a partnership) a receiving order is made against all the partners or (in the case of a corporate Member) a receiver, an administrative receiver or an administrator is appointed or a petition for its winding-up is presented or a resolution is passed for its winding-up (except a voluntary winding-up for the purposes of an amalgamation or reconstruction which has received in writing the prior approval of the Board) or proceedings have otherwise commenced for its dissolution, or if (in any case) an event of insolvency otherwise occurs in respect of a Member, then the rights of such Member (including his rights in respect of every trading right granted to him) shall be suspended (without any prior decision of the Board being required) from the date when, whichever is the case, he is Declared a Defaulter, he suspends payment or calls a meeting of his creditors or such order or appointment is made or such petition presented or resolution passed or such event of insolvency occurs. Upon or after the happening of any such event, any other Member holding open contracts on behalf of such Member shall be entitled to close the same without notice. A Member suspended under this Rule shall not be entitled, save in respect of a determination of the Board under Market Rule 6.2.4, to any right otherwise conferred on Members by section 6 of the Market Rules.

5.2 Effect of expulsion or suspension

5.2.1 Without prejudice to the application of Market Rule 5.3, any Member expelled shall thereupon forfeit all rights and privileges of membership other than the opportunity to apply for reinstatement or to apply for reconsideration or to appeal under Section 6 of the Market Rules. Without prejudice to the generality of the foregoing, an expelled Member shall forfeit all rights to use any trading rights granted to him, without being entitled to any refund of fees paid in respect of the same.

5.3 Exchange jurisdiction following expulsion

- 5.3.1 A Member who is expelled shall remain subject to the Rules and to the jurisdiction of the Exchange in respect of acts and omissions while he was a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other sanction imposed) as if he were a Member, for the longer of:
- (a) the period of twelve months from the date on which he was expelled; or
 - (b) the period during which disciplinary proceedings continue against him, being proceedings started by the Exchange no later than twelve months after the date on which he was expelled, subject to any extension of the period under Market Rule 5.3.3.
- 5.3.2 Disciplinary proceedings commenced following a Member's expulsion may be started by giving to the expelled Member notice of an investigation no later than twelve months after the date on which he was expelled.
- 5.3.3 In the event that a disciplinary tribunal concludes that there are, or may be, additional matters in respect of which disciplinary proceedings should be taken, the period referred to in Market Rule 5.3.1 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

**EURONEXT LONDON
RULES – BOOK II**

SECTION 6 - RECONSIDERATION AND APPEAL

6.1 Reconsideration of decisions

- 6.1.1 If the Board refuses an application for membership, approves an application subject to one or more condition(s), expels a Member, suspends some or all of a Member's rights for more than seven calendar days or declines to revoke a suspension it shall inform the applicant or Member, as the case may be, and shall give reasons for its decision. The applicant or Member may, within fourteen days of receiving notice of the reasons for the Board's decision, request the Board in writing to reconsider the decision and may make such written representations and supply such written information as he may consider relevant.
- 6.1.2 The Board may allow such applicant or Member to appear before it to make oral representations.
- 6.1.3 Within twenty-eight calendar days of receiving the applicant's or Member's written request for reconsideration or, if later, within twenty-eight days of receiving written representations or written information from the applicant or Member (or a statement from the applicant or Member that no such representation or information is to be made or supplied), the Board shall either confirm or amend its decision and shall promptly notify the applicant or Member accordingly.

6.2 Appeals

- 6.2.1 Within fourteen days of receiving notification under Market Rule 6.1.3, an applicant or Member may serve notice on the Board of his intention to appeal against the Board's decision.
- 6.2.2 The Board shall appoint an Appeal Panel, whose composition shall be in accordance with Market Rules 4.7.4, 4.7.5 and 4.7.5A.
- 6.2.3 The Appeal Panel may adopt such procedure as it deems appropriate in hearing the appeal but where appropriate shall follow the procedures specified for an Appeal Panel constituted under Section 4 of the Market Rules. The Appeal Panel shall give both the appellant and the Board reasonable opportunity to make representation to it regarding the Board's decision.
- 6.2.4 The Appeal Panel shall notify its award, with the reasons therefor, to the Board and to the appellant. The Board shall within twenty-eight calendar days serve notice on the appellant confirming or amending its decision.

**EURONEXT LONDON
RULES – BOOK II**

SECTION 7 – DEFAULT RULES

7.1 General

- 7.1.1 These Default Rules are without prejudice to, but in the case of any conflict take precedence over, any other provision of the Rules or the contractual relationship made between a Member and the Exchange or a Member and a third party which applies to a Market Contract.
- 7.1.2 Without prejudice to the generality of Market Rule 7.1.1, the taking of any step by the Exchange under this section of the Market Rules shall not preclude the implementation of any of the provisions of Market Rule 2.6 (Emergency Provisions).
- 7.1.3 To the extent that the default of a Clearing Member is covered by the rules of the Clearing House (including, without limitation, its default rules), such rules shall apply to the exclusion of these Default Rules in respect of Market Contracts registered with the Clearing House.
- 7.1.4 A Member shall forthwith give notice to the Exchange upon becoming aware of the occurrence of any event referred to in Market Rule 7.3.1 in relation to the Member.

7.2 Declaration of default

General

- 7.2.1 Upon the occurrence of an Event of Default in relation to a Member, or at any time thereafter if the Exchange in its absolute discretion considers that action should be taken under these Default Rules in the interests of the Market, the Exchange shall, subject to Market Rule 7.1.2, and unless it receives directions not to take such action under these Default Rules from the FCA under Section 166 of the Companies Act 1989, declare such Member to be a Defaulter and shall publish such declaration by Notice, provided that the Exchange may make such a declaration without delay where the Event of Default results from the Clearing House declaring the Member to be a defaulter under its default rules.
- 7.2.2 If the Exchange is directed by the FCA under Section 166 or Section 167 of the Companies Act 1989 to take action under these Default Rules or to take one or more of the steps referred to in Market Rule 7.4.3 in relation to a Member, the Exchange shall (if it has not already done so under Market Rule 7.2.1) declare the Member to be a Defaulter and shall publish such declaration by Notice.
- 7.2.3 A declaration made pursuant to Market Rules 7.2.1 or 7.2.2 in respect of a Defaulter shall remain in full force and effect unless it is withdrawn by the Exchange pursuant to Market Rule 7.4.16 or otherwise, or pursuant to any direction given by the FCA.

- 7.2.4 The Exchange may consult with the Clearing House or any Recognised Investment Exchange or Recognised Clearing House, or any other exchange or clearing house approved under Section 170 of the Companies Act 1989 or the FCA, the Bank of England, the Prudential Regulation Authority or any other regulatory body or the Secretary of State or any Relevant Office-Holder or any other Relevant Person, before or any time after taking action under these Default Rules in relation to a Member.
- 7.2.5 A Defaulter shall not enter into any Transaction with any person, and a Member shall not enter into any such contract with a Defaulter, after the time that the Defaulter has been declared as such (notwithstanding any order or instruction to do so given by a person other than the Exchange or Clearing House) save in accordance with any directions given by the Exchange under these Default Rules or Clearing House under its default rules. The Exchange or Clearing House (as applicable) may, in its absolute discretion, direct that a Transaction entered into by a Defaulter after such time shall be deemed to have been entered into pursuant to directions given by the Exchange or Clearing House (as applicable) under these Default Rules.
- 7.2.6 A Member who is Declared a Defaulter shall remain a Member until the Board otherwise determines.
- 7.2.7 For the avoidance of doubt, a Member acting as agent of another Member where the second Member is principal to a Market Contract will not be liable to any amounts due or from such second Member.

7.3 Events of default

- 7.3.1 In these Default Rules, the term “Event of Default” shall mean any event or circumstance which leads the Exchange to determine that a Member is, or appears to be, unable, or likely to become unable, to meet his obligations under one or more Market Contracts. Without prejudice to the generality of the foregoing, the Exchange may, in its absolute discretion, take the occurrence of any one or more of the following events or circumstances as being an Event of Default:
- (a) failure by a Member duly to perform or comply with any obligation to make payment or to make or accept delivery under the terms of a Transaction;
 - (b) failure by a Member to comply with any other obligation under a Market Contract or the Market Rules including to satisfy any obligation to provide Cover for Margin;
 - (c) a Member generally not paying his debts as such debts become due, or admitting his inability to pay his debts generally, or becoming, or being deemed to have become, unable to pay his debts within the meaning of Section 123 of the Insolvency Act 1986 or under the laws of any other applicable jurisdiction, or making a general assignment for the benefit of creditors, or any proceedings being instituted or steps taken by or against a Member seeking to adjudicate him insolvent, or seeking liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection, relief or composition of him or his debts or seeking the entry of an order for relief or the appointment of a receiver, receiver and manager, liquidator, provisional liquidator, administrator, trustee or other similar official for him or for any substantial part

of his revenues and assets (except, in each case, for the purpose of a reconstruction or amalgamation by a Member, the terms of which have previously been approved by the Board in writing) in each case whether under the laws relating to insolvency or reorganisation or relief of debtors of the country of incorporation or domicile of the Member or under the laws of any other jurisdiction or otherwise;

- (d) a Member taking any corporate action or other step to authorise, institute or commence any of the actions referred to in (c) above;
- (e) any execution, distress, sequestration, attachment or other process being levied or enforced against a Member or against any substantial part of his revenues and assets and not being discharged within seven days of being so levied or enforced;
- (f) a Member being refused an application for or being suspended or expelled from membership of a regulatory body or being in breach of the client money or client asset rules of or the rules as to the financial requirements of membership of a regulatory body to which he is subject or a regulatory body taking or minded to take any action in relation to the Member or taking or minded to exercise its powers to restrict or prohibit the Member from entering into transactions or carrying on its business or dealing with its assets;
- (g) any action being taken or minded to be taken against a Member (including without limitation, any notice, fine, censure, warning, default proceeding, disciplinary procedure, suspension or expulsion or any withdrawal, revocation or failure to renew of any permission, licence or authorisation) by any governmental authority, regulatory authority, exchange, or clearing house;
- (h) any licence, authorisation, consent or registration necessary to enable a Member to comply with his obligations to the Exchange or to carry on his business in the normal course being revoked, withheld or materially modified or failing to be granted or perfected or ceasing to remain in full force and effect;
- (i) a Member failing to satisfy the Exchange at any time that he meets any minimum financial resources or other financial requirement for membership from time to time stipulated by the Exchange;
- (j) a Member being or being Declared a Defaulter under the rules of the Clearing House, or a Recognised Investment Exchange or a Recognised Clearing House, or any other exchange or clearing house or body which provides settlement services, or being declared in breach of the rules as to the financial requirements of membership of, or being refused membership of, or suspended or expelled from membership of, a Recognised Investment Exchange, or a Recognised Clearing House.
- (k) a Member being in breach of any applicable law relevant to its business as a Member;
- (l) a Member, being a partnership, being dissolved; or

(m) a direction made by the FCA as contemplated in Market Rule 7.2.2 .

7.3.2 An event or circumstance referred to in Market Rule 7.3.1 shall, without limitation, be deemed to have occurred in relation to a Member being an unincorporated association or partnership if it occurs in relation to a person comprised in such unincorporated association or partnership.

7.3.3 A declaration of an Event of Default shall be deemed to be an Event of Default under these Default Rules.

7.3.4 For the purposes of this Section 7, all Members are deemed to be acting as principal in respect of all Transactions effected on the Market.

7.4 Default proceedings

7.4.1 Subject to Market Rule 7.4.2, immediately or at any time after a Member has been Declared a Defaulter, the Exchange shall, unless it receives a direction from the FCA requiring the Exchange not to take action or not to take certain steps under these Default Rules, take the steps referred to in Market Rule 7.4.3 as it determines:

(a) in order that all rights and liabilities under every Unsettled Market Contract to which the Defaulter and a Counterparty are party as principals are discharged in accordance with Market Rule 7.4.4 and that a settlement amount is determined in respect of each such Market Contract in accordance with Market Rule 7.4.5; and

(b) pursuant to the steps taken to give effect to paragraph (a) of this Market Rule 7.4.1, to certify, or for there to be certified on behalf of the Exchange, one or more net sums due to or from the Defaulter as determined in accordance with Market Rule 7.4.7 or to certify that no net sum is payable.

7.4.2 The Exchange shall not be obliged to take steps under Market Rule 7.4.1:

(a) to discharge all rights and liabilities referred to therein or to take steps to discharge all rights and liabilities under every Market Contract to which the Defaulter and a Counterparty are party as principals or to calculate the settlement amount referred to therein or to effect the certification required by such Rule, if it would be impracticable in the circumstances to do so. If it should become practicable to effect the discharge of such rights and liabilities or to calculate the settlement amount or to effect such certification, the Exchange shall, subject to Market Rule 7.4.9, take any one or more of the steps required by Market Rule 7.4.1 to effect this; or

(b) to discharge rights and liabilities in respect of Margin.

7.4.3 The steps referred to in Market Rule 7.4.1 are determining a settlement price for each Security which is the subject of an Unsettled Market Contract, such settlement price being, in the absence of manifest error, final, conclusive and binding upon the Defaulter and the Counterparty to each such Unsettled Market Contract, and it shall be deemed to be a term of every Transaction that, upon one of the parties being Declared a Defaulter, any unsettled obligation to pay or deliver shall be discharged and replaced by

an obligation on the relevant party to pay the settlement amount. The Exchange will consult the Clearing House in calculating settlement prices to the extent deemed appropriate by the Exchange in its sole discretion.

- 7.4.4 Without prejudice to Market Rules 7.4.11 to 7.4.14 inclusive, all rights and liabilities of the Defaulter and a Counterparty under an Unsettled Market Contract, other than those rights and liabilities referred to in Market Rule 7.4.2 and the right and liability to pay or receive fees or commissions with respect thereto, shall be discharged on completion of the steps taken by the Exchange under Market Rule 7.4.1 (a) with respect to such Market Contract. The Defaulter or (as the case may be) the Counterparty shall be liable to pay the settlement amount (if any) determined under Market Rule 7.4.5 to be payable by one party to the other in respect of such Market Contract.
- 7.4.5 The settlement amount (if any) shall be determined by reference to the difference (if any) between the Price for such Market Contract and the settlement price determined pursuant to Market Rule 7.4.3, provided that if, pursuant to the terms of the Market Contract or the terms of any agreement between the parties to such Market Contract, the rights and obligations of the parties have become or been converted into an obligation to pay and a right to receive a single liquidated sum, the Exchange may determine that such sum shall be the settlement amount in respect of one or more Market Contracts.
- 7.4.6 The settlement amount determined by the Exchange pursuant to Market Rule 7.4.5 for each Market Contract in respect of which one or more steps have been taken under Market Rule 7.4.1 shall, in the absence of manifest error, be final, conclusive and binding upon the Defaulter and the Counterparty to each such Market Contract.
- 7.4.7 Subject to Market Rules 7.4.8 and 7.4.9, an account shall be drawn up by the Exchange between the Defaulter and each Counterparty to one or more Market Contracts discharged in accordance with Market Rule 7.4.4, save that where the Defaulter or, as the case may be, the Counterparty is a Segregated Client with respect to some or all of such Market Contracts, separate accounts shall be drawn up by the Exchange between the Defaulter and the Counterparty relating to the Market Contracts in respect of which either party is a Segregated Client and relating to those in respect of which neither party is a Segregated Client. Each such account shall include the settlement amounts calculated in respect of each Unsettled Market Contract under Market Rule 7.4.5, which amounts shall be credited or debited, as appropriate, to the relevant account. On each account, all credits and debits shall be aggregated and the aggregated amount of such credits and debits shall be set-off against each other, so as to produce a net sum payable by or to the Defaulter on each account as certified under Market Rule 7.4.1.
- 7.4.8 Where the Defaulter or the Counterparty has entered into one or more Market Contracts as trustee, a separate account shall be drawn up under Market Rule 7.4.7 relating to Unsettled Market Contracts entered into by the Defaulter or the Counterparty, as the case may be, as trustee.
- 7.4.9 [deleted]
- 7.4.10 The Exchange shall be entitled, in its absolute discretion and without notice to the Defaulter or a Counterparty, to make any currency conversions which the Exchange

considers necessary or desirable for the purposes of these Default Rules at such rate or rates as the Exchange may reasonably determine.

- 7.4.11 Subject to Market Rule 7.4.15, any step taken under these Default Rules with respect to one or more Market Contracts or to calculate the settlement amount in respect of a Market Contract or to determine and certify one or more net sums (if any) due to or from the Defaulter shall be without prejudice to the rights of either party to refer any dispute, claim or matter to arbitration under the Rules arising out of or in connection with a failure to perform one or more of such Market Contract in accordance with its terms or, where permitted under the Rules, to commence any court proceedings in respect of such dispute, claim or matter.
- 7.4.12 If a dispute arises to which a Defaulter is party as to whether a Market Contract had been made or as to the terms of a Market Contract, then the Exchange may direct that any such Market Contract shall be deemed to have been validly made on such terms as the Exchange thinks fit and such Market Contract shall, subject to Market Rule 7.4.2, be subject to one or more steps taken under Market Rule 7.4.1. Subject to Market Rule 7.4.15, any steps taken under this Market Rule shall be without prejudice to the right of the Defaulter or any other person to refer a dispute, including a dispute referred to in paragraph (a) above, to arbitration or, where permitted under the Market Rules, to commence court proceedings in respect of the same.
- 7.4.13 Without prejudice to Market Rule 7.4.12, and subject to Market Rule 7.4.14, if a dispute arises to which the Defaulter is party as to whether a Market Contract has been made or as to the terms of such Market Contract, the Exchange may direct that the parties to the dispute refer the dispute to arbitration or appeal against any award made in relation thereto or, if the Market Rules do not prohibit it, commence court proceedings or otherwise apply to the court in respect thereof, within such time limit as the Exchange may direct for the purpose (but without prejudice to any shorter limitation period applicable by virtue of the terms of the Market Contract, the Market Rules or otherwise) and promptly send to the Exchange a copy of any document commencing arbitration proceedings or other process or appeal. Any party failing to comply with any such direction shall be deemed to have waived his rights to refer any dispute to arbitration or to commence court proceedings or appeal against an award in relation to such right or liability (subject to any contrary provision of the Companies Act 1989) whereupon the Board shall determine the issue as it thinks fit taking into account such evidence (if any) as it thinks fit. The Exchange may make such further procedural directions as it thinks fit for the purposes of this Market Rule 7.4.13.
- 7.4.14 (a) Subject to paragraph (b) below, in the event that any dispute arises as to whether a Market Contract to which a Defaulter is party is a Transaction or as to whether a Market Contract is an Unsettled Market Contract, the Board shall determine the issue as it thinks fit taking into account such evidence (if any) as it thinks fit. The decision of the Board shall be final and binding on all parties to such Market Contract.
- (b) The Board may in its absolute discretion direct that any dispute referred to in paragraph (a) of this Market Rule 7.4.14 shall be referred to arbitration under the Market Rules and the parties to such dispute shall be bound to comply with such direction.

7.4.15 No person may refer to arbitration under the Market Rules any dispute, claim or matter arising out of or in connection with any step taken under these Default Rules, including without prejudice to the generality of the foregoing, any step taken to settle a Market Contract or to determine the settlement amount payable in respect of such Market Contract or to certify one or more net sums under Market Rule 7.4.1(b).

7.4.16 On completion of the certification under Market Rule 7.4.7 of one or more net sums payable by or to a Defaulter, the Exchange shall, subject to Market Rule 7.2.2, withdraw the declaration made pursuant to Market Rules 7.2.1 or 7.2.2 in respect of such Defaulter.

Delivery

7.4.17 Market Rule 7.4 shall not apply to Securities which have been delivered and paid for under any Market Contract prior to the Member being Declared a Defaulter.

7.5 Notification

7.5.1 The Exchange shall, as soon as reasonably practicable after a Member has been Declared a Defaulter, take such steps as it may in its absolute discretion consider appropriate to ensure that:

- (a) Counterparties to Unsettled Market Contracts with a Defaulter, Members, persons party to a Market Contract as agent for the Counterparty, the persons referred to in Market Rule 7.2.4 and such other persons as it thinks fit, are notified that the Member has been Declared a Defaulter;
- (b) Counterparties to Unsettled Market Contracts with the Defaulter are notified of any decision taken under the Default Rules with respect to such Market Contracts to which they are party;
- (c) if the Defaulter is party to a Market Contract as agent, his principal is notified that a default has occurred and the identity of the other person party as principal to such Market Contract, and, in the case of (a) above, such steps shall include, without prejudice to the generality of the foregoing, publishing a Notice;
- (d) the operator of any settlement system is notified of any decision taken under the Default Rules and is requested to suspend settlement of all Transactions to which the Defaulter is a party.

7.5.2 The Defaulter, and where applicable a Member party to an Unsettled Market Contract with a Defaulter, shall give notice forthwith to the Exchange of any dispute, claim or matter arising out of or in respect of such Market Contract which it is proposed will be referred to arbitration or be the subject of court proceedings.

7.6 Procedures

- 7.6.1 The Exchange may from time to time prescribe procedures for the purposes of these Default Rules and to provide for the manner in which its rights or obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such Rules or proceedings may be exercised by or on behalf of the Exchange.
- 7.6.2 The Board shall appoint a committee (the “Default Rules Committee”) for the purposes of implementing the obligations of the Exchange under these Default Rules or exercising the rights or fulfilling the obligations of the Exchange under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such rules. The membership of the Default Rules Committee shall be determined from time to time by the Board and details of such membership and any regulations imposed on the committee by the Board shall be notified by means of a Notice.
- 7.6.3 For the purposes of implementing these Default Rules, or exercising its rights or fulfilling its obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such rules, the Exchange shall, without prejudice to Euronext Rule 2401, have the right to obtain from the Defaulter copies of books, records and other documents and information necessary for the purpose of obtaining the names and addresses of all clients, details of all Unsettled Market Contracts entered into by the Defaulter, details of money and other property held for the account of Segregated Clients and any other information which the Exchange considers to be necessary or desirable for the purpose of implementing these Default Rules.
- 7.6.4 The Defaulter and all Members shall co-operate fully at all times with the Exchange and shall promptly provide such information as the Exchange or its employees or agents may request in connection with the implementation by the Exchange of these Default Rules or the exercise by it of its rights or the fulfilment by it of its obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in respect of such Rules including, without prejudice to the generality of the foregoing, information regarding Market Contracts entered into by the Defaulter.
- 7.6.5 In taking any step under these Default Rules, the Exchange shall take no account of any right or interest which any person other than the Defaulter or the Counterparty may have in any Unsettled Market Contract entered into between them.

7.7 Delegation of functions

- 7.7.1 The Exchange may from time to time appoint one or more persons to perform on its behalf any of the functions, save those referred to in Market Rule 7.3.1, which it may or may be required to exercise under these Default Rules and may appoint any professional adviser to advise or assist the Exchange with respect to the carrying out of its functions hereunder.

7.8 Costs

- 7.8.1 The Defaulter shall be liable to indemnify the Exchange in respect of any costs, charges and expenses which the Exchange may incur or suffer in taking any action under the Default Rules, including the costs of any person appointed pursuant to Market Rule

7.7.1 to perform any function on behalf of the Exchange or to advise or assist with respect thereto.

7.9 Co-operation with other bodies

7.9.1 The Exchange may pass on any details of or other information in its possession relating to a Defaulter or his Market Contracts or relating to a Member in respect of whom action has been taken under the Default Rules of a Recognised Investment Exchange or a Recognised Clearing House to any of the persons referred to in Market Rule 7.2.4 or to any other body or authority having responsibility for any matter arising out of or in connection with the default and otherwise co-operate with any such persons in connection with such default. For the avoidance of doubt, the Exchange may pass on such details or other information under this Market Rule 7.9.1 to any person, body or authority referred to in this Market Rule 7.9.1 who has responsibility for the supervision or regulation of a company which is in the same group of companies (howsoever defined under applicable law) as, or which is otherwise connected to, such Defaulter or such Member or of whom a company in the same group of companies (howsoever defined under applicable law) as, or which is otherwise connected with, such Defaulter or such Member is a Member, whether or not such company is itself in default under the rules of such person, body or authority.

7.10 Amendments

7.10.1 Any amendment, revocation or addition to these Default Rules may take effect so as to affect default proceedings in progress at such time as the Board may determine.

**EURONEXT LONDON
RULES – BOOK II**

SECTION 8 – COMPLAINTS

8.1 Definitions and interpretation

8.1.1 In this section 8 of the Market Rules, unless the context otherwise requires:

Complaint means, subject to Market Rule 8.1.2, a complaint arising in connection with the Exchange's performance of, or failure to perform, any of its regulatory functions in respect of Euronext London or in connection with the conduct of a Member in its use of the Exchange's facilities;

Regulatory Functions has the meaning attributed to it in section 291(3) of the Financial Services and Markets Act 2000 as amended from time to time.

8.1.2 For the purposes of this section 8 of the Market Rules, the following do not constitute complaints:

- (a) complaints about the contents of any Rules or any procedures made by the Exchange pursuant to the Rules;
- (b) decisions against which the complainant has a right to appeal to a Disciplinary Panel or an Appeal Panel and complaints about a decision of such Panels;
- (c) complaints about a decision of the Board or a commissioner made pursuant to section 6 of the Market Rules;
- (d) complaints covered by specific contractual agreements between the Exchange and third parties in which alternative dispute resolution arrangements are provided; or
- (e) complaints in connection with the conduct of a Member where the matter is within the remit of the relevant Competent Authority or another organisation.

8.2 Complaints procedure

8.2.1 Any complaint must be submitted to the Exchange in accordance with procedures (the "Complaints Procedures") prescribed by the Board from time to time.

8.2.2 Where the complainant is not a Member, the Exchange shall communicate with the complainant through the complainant's Member unless the complainant specifically requests otherwise in writing to the Exchange.

8.2.3 The complaint shall be considered by or on behalf of the Exchange. If the complaint cannot be resolved to the mutual satisfaction of the Exchange and the complainant, the

complainant may request in writing that the Board refer the matter to arbitration pursuant to the Complaints Procedures.

- 8.2.4 In agreeing that the complaint be referred to arbitration, the complainant agrees that any recommendation made by the arbitrator to the Exchange shall, if adopted by the Exchange, be a full and final resolution of the complaint and all associated rights and claims.

8.3 Disclosure of information

- 8.3.1 All information provided to the arbitrator in respect of a complaint shall be confidential, unless otherwise agreed.