

Liquidnet Europe Limited (“Liquidnet”) Equity MTF Participation Rules

1. Glossary

Term	Meaning
Applicable Law	All applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), market rules and/or market conventions any laws, all judgments, orders, instructions or awards of any court or competent authority and applicable to: (a) Liquidnet; or (b) a Participant (or Customer of that Participant); as the case may be and in each case having regard to the context.
Competent Authority	The authority designated by each member state of the EEA in accordance with Article 67 of MiFID II and/or any other authority, body or person having responsibility for the supervision or regulation of any regulated activity or other financial service or law for enforcement purposes.
Customer	An entity who is not a Participant under these Rules, but a customer of a Participant.
EEA	European Economic Area
Eligibility Criteria	Eligibility Criteria set forth in clause 4 of these Rules
Erroneous Order	An order submitted to a Liquidnet Europe Equity MTF in error as to price, quantity, currency, side, or symbol or without proper authorisation.
Erroneous Trade	The execution of an order, entered in error (in terms of price, quantity, currency, side or symbol) at a price substantially away from, or inconsistent with, the prevailing market price for that security at the time of execution.

FCA	Financial Conduct Authority of the United Kingdom
FCA Rules	The FCA Handbook of Rules and Guidance as amended from time to time.
FSMA	Financial Services and Markets Act 2000 of the United Kingdom (UK) as amended from time to time.
General Clearing Member/GCM	An entity, recognised by an MCF, appointed by a Participant to perform post-execution services on behalf of the Participant.
Individual Clearing Member/ICM	An entity, recognised by an MCF, which performs post-execution services.
Liquidnet	Liquidnet Europe Limited, a UK investment firm authorised and regulated by the FCA, which is authorised by the FCA (a) to receive and handle orders and indications from clients and customers, and (b) to operate the Liquidnet Europe Negotiation MTF. For the avoidance of doubt, references to “Liquidnet” in these Rules shall refer to Liquidnet acting in its capacity as operator of the Liquidnet Europe Negotiation MTF, unless the context otherwise requires.
Liquidnet Trading Rules	Liquidnet trading rules for the trading of equity securities (as may be amended from time to time), which are posted on the Liquidnet Equities Member website.
Liquidnet Europe Negotiation MTF	MTF operated by Liquidnet for negotiated trades
Market Abuse	Any behaviour that constitutes market abuse, market manipulation or insider trading or any other similar or analogous behaviour prohibited or subject to sanctions or penalties under Applicable Law.

Mid-Price	The mid-point between the highest displayed bid price and lowest displayed ask price in the applicable jurisdiction at the time of execution. Liquidnet determines the best bid and best ask by reference to the market data feed provided by Liquidnet's market data provider for the applicable jurisdiction. In the Liquidnet Europe Negotiation MTF, Liquidnet refers to the Primary Market for determining the highest bid and lowest ask. If the spread and/or derived Mid-Price is negative (i.e., the best bid is higher than the best ask), the relevant Liquidnet Europe Equity MTF will not execute the order.
MiFID II	The European Parliament and Council Directive on markets in financial instruments (No. 2014/65/EC) and Delegated Regulation 2017/565 supplementing Directive 2014/65/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, and Delegated Directive 2017/593 supplementing Directive 2014/65/EC of the European Parliament and of the Council as regards safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits, and Delegated Regulation 2017/567 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regards to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions.
MiFIR	Regulation (EU) No 600/2014, and associated regulatory technical standards.
MTF	A Multilateral Trading Facility as defined in article 4(1)(22) of MiFID II.
Multilateral Clearing Facility/MCF	An entity appointed by Liquidnet or a Participant to provide post-execution services.
NAIOI	A non-actionable indication of interest, that does not contain all necessary information to agree on a trade.

Order	An order transmitted to a Liquidnet Europe Equity MTF by a Participant, which must specify the security, side (buy or sell) and quantity in each case.
Participant	A participant in Liquidnet Europe Negotiation MTF.
Participant Agreement	An agreement entered into between a Participant and Liquidnet that, along with these Rules, governs the Participant's access to and participation in the Liquidnet Europe Negotiation MTF.
Participant Notice	Any notice published or disseminated by Liquidnet to Participants from time to time.
Primary Market	The market on which Liquidnet determines a Security has its primary listing.
PTM Levy	The levy determined by and payable to the Panel on Takeovers and Mergers.
Regulatory Suspension of Trading	A suspension of trading, in a Security, on a Primary Market for regulatory reasons.
RTS 1	Commission Delegated Regulation (EU) 2017/587
RTS 3	Commission Delegated Regulation (EU) 2017/577
RTS 7	Commission Delegated Regulation (EU) 2017/584
RTS 11	Commission Delegated Regulation (EU) 2017/588
RTS 22	Commission Delegated Regulation (EU) 2017/590
RTS 24	Commission Delegated Regulation (EU) 2017/574
RTS 25	Commission Delegated Regulation (EU) 2017/580
Rulebook Transactions	The meaning given to it in Rule 11.2
Rules	This document, as amended or replaced from time to time.

Security	A security eligible for trading on the Liquidnet Europe Negotiation MTF in accordance with clause 8 of these Rules.
Statement of Authority	A statement by a GCM or an ICM to an MCF stating that it authorizes a specified Participant to conclude trades on the Liquidnet Europe Negotiation MTF for which the GCM or ICM, as applicable, has accepted responsibility.
Trading Protocols	The functionality and method of trading the Eligible Instruments on the MTF as specified in this Rules.
Transaction Reporting Fields	The fields contained in the Annex to RTS 22 that Liquidnet may require to be submitted to the Liquidnet Europe Negotiation MTF for the purpose of enabling it to meet its transaction reporting obligations pursuant to Article 26(5) MiFIR.

2. General

- 2.1. The Liquidnet Europe Negotiation MTF is an MTF operated by Liquidnet, and will comply with all applicable rules and regulations, including these Rules.
- 2.2. The Liquidnet Europe Negotiation MTF is not available for the primary listing of Securities.
- 2.3. These Rules are governed by, and shall be construed in accordance with, the laws of England and Wales.
- 2.4. Any references to Liquidnet or Liquidnet MTF in this Rulebook, are references to the Liquidnet Europe Negotiation MTF and to Liquidnet as the operator of such unless the context otherwise requires.

3. Access

- 3.1. Access to the Liquidnet Europe Negotiation MTF is available to Participants that meet the applicable Eligibility Criteria set forth below.

4. Eligibility Criteria for Participants

4.1. All Participants must:

- (a) be regulated in the EEA or an equivalent third country jurisdiction and be fit and proper, and able to demonstrate to Liquidnet that they are suitable for admission and of sufficiently good repute;
- (b) have a sufficient level of trading ability and competence;
- (c) have adequate organisational arrangements and satisfy any technical requirements determined by Liquidnet;
- (d) have adequate systems, procedures, controls and sufficient resources to satisfy their obligations pursuant to these Rules; and
- (e) act on behalf of, as agent and not on a proprietary basis, other market participants;

4.2. Each Participant must enter into, maintain in effect and comply with a Participant Agreement with Liquidnet.

4.3. Each Participant must interact with Liquidnet in conformance with Liquidnet's technical and functional specifications and in compliance with any restrictions on use of order information.

4.4. Each Participant shall satisfy one of the following criteria in relation to their clearing and settlement arrangements:

- (a) the Participant has a relationship with a GCM that has interoperability with Liquidnet's MCF and shall provide a Statement of Authority to Liquidnet's MCF;
- (b) the Participant is itself an ICM that has interoperability with Liquidnet's MCF and shall provide a Statement of Authority to Liquidnet's MCF;
- (c) the Participant has appointed its own MCF or Liquidnet's MCF to provide post-execution services; or
- (d) with the prior consent of Liquidnet, traditional broker-to-broker clearing and settlement arrangements have been put in place.

4.5. Participation as a Participant of the Liquidnet Europe Negotiation MTF shall become effective on such date and at such times as Liquidnet may specify upon satisfactory fulfilment of the items listed above, and continued participation will be contingent on the requirements in these Rules being met on an ongoing basis and a failure to fulfil any item shall be considered a breach of these Rules, leading to suspension, restriction or termination of access in accordance with clause 6.3.

5. Participant Continuing Education

- 5.1. Participants will be responsible for all orders submitted and actions taken on the Liquidnet Europe Negotiation MTF by its officers, employees and agents and for ensuring their ongoing compliance with these Rules.
- 5.2. Participants must at all times have:
 - (a) adequate internal procedures and controls and must have adequate execution, order management, and settlement arrangements in place;
 - (b) ensure they hold valid, issued, and duly renewed LEI at all times, including to ensure compliance with Applicable Law (including transaction reporting), and ensure that any principals on behalf of whom it is acting on the MTF, holds validated, issued, and duly renewed LEIs at all times;
 - (c) have appropriate internal systems and controls to ensure that it trades in an orderly manner, to prevent erroneous transactions and to ensure ongoing compliance with, and prevent breaches of, Applicable Law (including but not limited to laws prohibiting Market Abuse) and these Rules; and
 - (d) correctly inform, and keep updated, Liquidnet as to its status either as a MiFID II firm or a non-MiFID II firm.
- 5.3. Participants may only execute orders on the Liquidnet Europe Equity MTF as agent, carrying on orders on behalf of their own clients.
- 5.4. Participants shall provide all relevant information as required by Liquidnet in order to ensure compliance with trade reporting, transaction reporting and order record keeping and any other information that Liquidnet may request, in its sole discretion, in order to satisfy Applicable Law.
- 5.5. All Participants are responsible for ensuring adequate training, experience, knowledge, and supervision of any persons who submit orders on behalf of the Participant.
- 5.6. Participants are responsible for retaining records of all orders entered into the Liquidnet MTF for a minimum of five (5) years (or longer if required by Applicable Law). Any such record must be capable of being produced for inspection on demand in legible/machine readable form.
- 5.7. All Participants will comply with any requirement Liquidnet specifies in relation to transactions carried out under the Rules, including providing Liquidnet with information with regards to order monitoring and record keeping. In particular, Liquidnet requires any transactions carried out under the Rulebook Transaction functionality to meet the requirements of Applicable Law, and Participants agree to submit any information requested by Liquidnet in respect of such, in a format prescribed by Liquidnet.

- 5.8. Participants will be bound by these Rules and by any decision of Liquidnet made pursuant to these Rules.
- 5.9. Participants must notify Liquidnet as soon as practically possible of the occurrence of any of the following, unless disclosure is prohibited by applicable law, rule, regulation, or order of a relevant regulator authority:
- (a) a change in the Participant's name, contact details, or legal status five (5) business days in advance of any change taking effect;
 - (b) a change of control of the Participant within the meaning given under FSMA within five days of becoming aware;
 - (c) a material change or intervention regarding the Participant such as enforcement action by a Competent Authority or litigation to the extent that it affects the ability of the Participant to comply with these Rules;
 - (d) immediately upon the Participant becoming aware that it is likely to or has entered into insolvency or that an administrator, administrative receiver or receiver will be or has been appointed in respect of the whole or any part of the assets or business;
 - (e) a loss of connectivity, or other technical issues which might affect the Participant's ability to comply with these Rules, to Liquidnet promptly upon becoming aware;
 - (f) a breach of these Rules upon becoming aware thereof; or
 - (g) a change in the list of individuals that are authorised to act on behalf of the Participant.

6. Term of Participation

- 6.1. A Participant may terminate its participation in the Liquidnet Europe Negotiation MTF as set forth in the applicable agreement or documentation for the Participant.
- 6.2. Liquidnet may suspend or terminate a Participant's participation in the Liquidnet Europe Negotiation MTF as set forth in the applicable agreement or documentation for the Participant.
- 6.3. If at any time a Participant does not comply with these Rules, Liquidnet may suspend, restrict or terminate that Participant's access to the Liquidnet Europe Negotiation MTF.
- 6.4. A Participant shall continue to be bound by these Rules with respect to all activity in the Liquidnet Europe Negotiation MTF until the latest of:
- (a) the date it ceases to be a Participant;
 - (b) the date on which all trades by the Participant in the Liquidnet Europe Negotiation MTF are settled and completed; and

- (c) the date on which any outstanding charges or other sums due relating to the Participant's activity in the Liquidnet Europe Negotiation MTF have been settled.

7. Payment of Fees and Taxes

- 7.1. Participants shall pay to Liquidnet any applicable charges, fees, and any other costs due in accordance with these Rules or as set forth in the applicable agreement or documentation for that Participant. Liquidnet shall issue a Participant Notice in the event of any changes to the charges, fees, or other costs.
- 7.2. Participants should refer to the Liquidnet fee schedule, provided by Liquidnet, to Participants and which can be accessed via the Liquidnet website.
- 7.3. Participants shall be liable for the payment of any applicable taxes arising from the trading of Securities in the Liquidnet Europe Negotiation MTF, including but not limited to stamp duty reserve tax.
- 7.4. It is the obligation of the Participant to determine whether taxes arise from the trading of Securities in the Liquidnet Europe Negotiation MTF, and to apply for any exemptions from such taxes.

8. Securities Traded on the Liquidnet Europe Negotiation MTF

8.1. Securities Eligible for Trading

- (a) Liquidnet will determine in its absolute discretion which Securities are eligible for trading on Liquidnet Europe Negotiation MTF. Liquidnet will notify Participants of any Security admitted or removed from trading on the Liquidnet Europe Negotiation MTF by notice.
- (b) Securities admitted to trading on the Liquidnet Europe Negotiation MTF are equity securities listed on a Regulated Market (as defined in MiFID II) or MTF in the jurisdictions listed in Annex A to these Rules (as may be amended from time to time).

8.2. Corporate Actions

- (a) Participants are required to obtain information relating to corporate actions affecting the Securities which they trade and must ensure that such a Security is accurately priced in respect of the corporate action.
- (b) Liquidnet will take no responsibility for marking a Security as "ex" or "cum" a benefit on a Liquidnet Europe Equity MTF.

9. Substantial Shareholding

Where there is a requirement under Applicable Law to notify any person or entity as to the existence of a substantial shareholding, Participants must ensure compliance with this obligation. Notification to Liquidnet will not discharge any obligations under the substantial shareholding rules or any similar requirement.

10. PTM Levy

- 10.1. A Participant will ensure payment of the PTM Levy by it or its clients to the Panel on Takeovers and Mergers in relation to trades undertaken on Liquidnet for Securities of companies incorporated in the United Kingdom, the Channel Islands or the Isle of Man.
- 10.2. Liquidnet supports the Panel on Takeovers and Mergers and reminds Participants that a qualifying trade in a qualifying security, whether traded on or off any exchange or platform, is subject to the PTM Levy.
- 10.3. It is the Participant's responsibility to determine whether the PTM Levy is applicable and the amount payable under the PTM Levy, and to direct any questions in this regard to the Panel on Takeovers and Mergers
<http://www.thetakeoverpanel.org.uk>.

11. Trading, Settlement, and Reporting Process

11.1. Trading Calendar and Hours of Operation

The hours of operation of Liquidnet vary based on the published market hours in the jurisdiction of the Security traded and will be decided by Liquidnet and communicated to Participants by Participant Notice.

11.2. Rulebook Transactions

Liquidnet MTF will allow Participants to bring Rulebook Transactions within the Rules of Liquidnet MTF subject to compliance with the following:

- (a) the transaction relates to a Security under this Rulebook; and
- (b) the transaction is negotiated privately and, by agreement, is subject to and complies with the Rules.

The details of the transaction are notified to Liquidnet in such form as Liquidnet may in its absolute discretion specify or agree from time to time and the transaction is flagged as a Rulebook Transaction and subject to a relevant pre-trade transparency waiver.

A Participant must notify Liquidnet of such a transaction in as near to real time as technically possible and always within the prescribed timeframes set out within Applicable Law or, any earlier time required by Liquidnet.

Where a Rulebook Transaction is between two Participants then, unless agreed otherwise by the Participants, the selling Participant will be responsible for submitting details of the transaction required. In other cases, the Participant will be responsible.

Liquidnet reserves the right to reject any such trade, where it considers that such trade has not taken place in accordance with these Rules.

11.3. Settlement

- (a) A Participant must, in respect of transactions executed on the Liquidnet Europe Negotiation MTF, settle all obligations in accordance with the rules of the relevant MCF and in accordance with the rules and customs of the relevant settlement system, pursuant to any procedures established by such MCF.
- (b) The settlement due date for all transactions guaranteed by an MCF and executed on the Liquidnet Europe Negotiation MTF mirrors the settlement due date for transactions executed on the Primary Market.
- (c) Participants shall ensure that Securities delivered in settlement of a transaction are free of any charge or encumbrance.
- (d) Liquidnet may postpone or extend a settlement period for all transactions or for transactions in specified Securities affected on a given day, indefinitely, or for a specified period. Liquidnet will provide prior notice to Participants of any such postponement or extension of a settlement period.
- (e) Unless otherwise agreed, a transaction in any Security shall be settled in the standard place of settlement for that Security.
- (f) Liquidnet is not responsible for and shall not be liable for the default of any Participant or its clients on any trade.
- (g) In case of settlement default by a Participant or its clients, in each case that is a member of an MCF, the rules and procedures of the MCF used shall be followed. In case of settlement default by a Participant or its clients, in each case that is not a member of an MCF, the rules and procedures of the entity appointed by Liquidnet to provide post-execution services shall be followed.

12. Pre-Trade Transparency

- 12.1. Liquidnet MTF shall publish on a continuous basis, during normal trading hours, all orders (including actionable indications of interest) that are required to be made pre-trade transparent under Applicable Law.
- 12.2. Pre-trade transparency publications pursuant to Rule 12.1 are subject to any or all pre-trade transparency waivers set out in Rule 12.3 as applicable.
- 12.3. The pre-trade transparency waivers operate as follows:
- (a) Waiver for reference price: means the waiver in respect of orders carried out where the price of the financial instrument is derived from the trading venue where that financial instrument was first admitted to trading or the most relevant market in terms of liquidity, where that reference price is widely published and is regarded by market participants as a reliable reference price as set out in MiFIR Article 4(1)(a) which has the effect that particular responses are not published under Rule 12.1.
 - (b) LIS Waiver: means the waiver in respect of orders which are large in scale as set out in MiFIR Article 4(1)(c) which has the effect that particular responses are not published under Rule 12.1.
 - (c) Negotiated Transactions waiver: means the waiver in respect of orders that are carried out within the meaning of
 - (i) Article 4(1)(b)(i) MiFIR;
 - (ii) Article 4(1)(b)(ii) MiFIR; or
 - (iii) Article 4(1)(b)(iii) MiFIR,which has the effect that particular responses are not published under Rule 12.1.
- 12.4. Liquidnet will not be able to rely on the waiver at 12.3(a) or 12.3(c)(i) where the 'double volume cap' has been breached.
- 12.5. Where the percentage of trading in a financial instrument carried out on a trading venue under the waiver at 12.3(a) or 12.3(c)(i) has exceeded the limit set out in MiFIR the FCA may, within two working days, suspend the use, on Liquidnet MTF, of trading in that financial instrument based on the data published by ESMA. In this case Liquidnet will notify all Participants of such suspension.

13. Post-Trade Transparency

- 13.1. Liquidnet shall publish as close to real-time as technically possible, the price, volume, and time of transactions in MiFID II instruments in accordance with Applicable Law.
- 13.2. The publications pursuant to Rule 13.1 are subject to the availability of a post-trade transparency deferrals set out in Rule 13.3
- 13.3. The post-trade transparency deferral set out below has the effect that the details of particular transactions are not published under Rule 13.1 until required under RTS 1 meaning that depending on the average daily turnover of the share and the size of the transaction the deferral period may be:
- (a) 60 minutes
 - (b) 120 minutes;
 - (c) the end of the trading day; or
 - (d) or any longer period permitted by Applicable Law.
- 13.4. When the time limit of the deferral pursuant to Rule 13.3 has lapsed, the price, volume, and time of transaction shall be published in accordance with Applicable Law.
- 13.5. Participants shall notify Liquidnet in the event of any cancellation or amendment of a transaction.

14. Transaction Reporting

- 14.1. Liquidnet MTF is required to report details of transactions executed by non-MiFID II firms to the FCA in MiFID II instruments in accordance with Article 26(5) MiFIR. Liquidnet MTF shall not transaction report on behalf of those Participants that are MiFID II firms.
- 14.2. A Participant which is a non-MiFID II firm must:
- (a) provide Liquidnet MTF with accurate and complete transaction reporting fields in respect of their transactions in MiFID II instruments as required by Liquidnet MTF, in the format and within the timescale prescribed by Rule 19.5 in order that the MTF may fulfil its obligations under Article 26(5) MiFIR;
 - (b) have appropriate controls in place to ensure that the required Transaction Reporting Fields are accurately populated; and
 - (c) report to the Liquidnet MTF immediately in the event that it discovers that one or more transaction reporting fields have been inaccurately or incompletely populated and cooperate with Liquidnet to rectify any errors.

14.3. The information to be provided pursuant to Rule 14 shall be delivered as soon as possible following the execution of the transaction and, in any event before midday on the trading day following the transaction date.

14.4. Each Participant acknowledges and agrees it must satisfy itself that it can and shall comply with any Applicable Law relating to post-trade MiFID II transaction reporting, to the relevant Competent Authority, as such rules apply to it.

15. Algorithmic Trading

15.1. Participants must ensure that any algorithmic trading carried out in relation to the Liquidnet MTF is controlled and organised in accordance with the requirements of MiFID II, and that the operation of each algorithm is monitored by them to prevent disorderly trading on the MTF and subject to all requirements specified by Liquidnet in respect of conformance testing, checks, and resilience.

16. Order Recording Keeping

16.1. Each Participant must provide all relevant information, as may be required by Liquidnet from time to time, or procure that all relevant information is provided immediately upon request in the format prescribed by Liquidnet and shall do so before the end of each Trading Day following the transaction date in order that the Liquidnet MTF can fulfil its regulatory obligations to keep records pursuant to MiFIR Article 25.

16.2. Liquidnet shall maintain records of all orders for a minimum of five (5) years (or longer, where required by Applicable Law) from the date of the record or otherwise in accordance with Applicable Law.

16.3. Liquidnet shall synchronise the business clocks it uses to record the date and time of any reportable event pursuant to this Rule 15 with the Coordinated Universal Time (UTC).

17. Regulatory Suspensions of Trading

17.1. In the event that there is a Regulatory Suspension of Trading in relation to a Security, Liquidnet will suspend trading in that Security and orders will be rejected with an appropriate error message.

17.2. Liquidnet will comply with any instruction made by a Competent Authority to suspend or remove a Security from trading.

18. Erroneous Trades and Orders

- 18.1. Liquidnet, acting with due skill care and diligence, has discretion to cancel an Erroneous Trade or delete an Erroneous Order.
- 18.2. If an order appears to be an Erroneous Order in the opinion of Liquidnet, Liquidnet may contact the relevant Participant to ensure the validity of the order.
- 18.3. Liquidnet may consider the following in determining whether an order or a trade is an Erroneous Order or Erroneous Trade:
 - (a) discussions with the relevant parties;
 - (b) analysis of market data;
 - (c) analysis of market events; and
 - (d) a percentage price movement away from the price of the last trade of the security on an MTF of above 5%.
- 18.4. Erroneous Orders which are detected by the Liquidnet systems will be automatically rejected and a rejection message will be generated and sent to the Participant. For any other Erroneous Order or Erroneous Trade, Liquidnet will inform the relevant Participants of its determination to cancel such order or trade promptly, unless there are extenuating circumstances which require more time for investigation, by telephone with an electronic mail confirmation. In such circumstances, Liquidnet will provide a full explanation of the decision and respond to all reasonable requests for information regarding the decision.

19. Trade Cancellations

- 19.1. A Participant may submit a request to cancel a trade before 16:45 on the trade day by telephone to Liquidnet +44 20 7614 1610 with a confirmation by electronic mail of the request to TradeBreak-London@liquidnet.com.
- 19.2. On receipt of a trade cancellation request, the following procedure below will be adopted:
 - (a) Liquidnet will contact the parties to the transaction(s) and communicate the request that the trade be deemed an error and therefore be cancelled;
 - (b) The parties to the transaction(s) are under no obligation to agree to cancel the trade cancellation request and accordingly, if the parties do not agree to the trade cancellation, the Participant initiating the request will be informed and the trade(s) will stand; and
 - (c) If the parties agree to the trade cancellation, Liquidnet will inform the Participant initiating the request and will facilitate the cancellation of the trade(s).

20. Systems Issues Policy

20.1. Technical or other issues may from time to time impact the Liquidnet Europe Negotiation MTF such that it is unable to correctly receive indications from Participants' order management systems or to match correctly indications that have been received.

Where such system issues materially affect the efficiency of or proper functioning of the Liquidnet Europe Negotiation MTF, Liquidnet will halt matching on the Liquidnet Europe Equity MTF or take such other measures as considered reasonable in the circumstances. In any such case, if Liquidnet is not able to resolve the system issue within a reasonable time (usually within 30 minutes during trading hours), Liquidnet will notify affected Participants of the system issue, including steps being taken by Liquidnet. Liquidnet will notify affected Participants when the system issue is resolved and trading on the Liquidnet system is available.

21. Trading Halts

21.1. Liquidnet complies with all trading halts initiated by a Competent Authority or under Applicable Law and can break a trade executed during a trading halt period (for example, as a result of a delay in receipt of a trading halt message). Liquidnet will notify Participants of any trading halts that it specifies in relation to the Liquidnet Europe Fixed Income MTF from time to time.

22. Emergency Powers

22.1. Liquidnet may suspend all trading on the Liquidnet Europe Negotiation MTF or impose conditions on trading on the Liquidnet Europe Negotiation MTF, which it shall notify to Participants by a Participant Notice, when it considers this necessary to maintain the integrity of the market or the fair and orderly trading on Liquidnet.

23. Trade Confirmations

23.1. Trade confirmations for all trades executed on the Liquidnet Europe Negotiation MTF shall be sent in accordance with applicable legal requirements by J.P. Morgan Clearing Corp. or such other entity as Liquidnet shall notify to Participants.

24. Monitoring

24.1. Liquidnet shall

- (a) monitor Participants' use of the Liquidnet Europe Negotiation MTF for signs of disorderly trading conditions, conduct that may involve Market Abuse and/or manipulation, suspicious trades, and compliance with this Rulebook.
- (b) shall co-operate with any Competent Authority on matters related to the functioning of the Liquidnet Europe Negotiation MTF and report to, and provide full assistance to, Competent Authority in relation to the conduct of Participants on the Liquidnet Europe Negotiation MTF, including conduct relating to breaches of these Rules, disorderly trading conditions and potential Market Abuse.

25. Telephone Recording and Electronic Correspondence

25.1. Liquidnet may record and retain certain telephone conversations and electronic correspondence between Liquidnet and Participants that takes place over the Liquidnet MTF and all Participants are deemed to consent to such recordings and retention. Such recordings will be and shall remain the sole property of Liquidnet.

26. Compliance

26.1. Compliance with Laws and Regulations

Participants must (and shall procure that their clients, Customers and respective traders shall) comply with all legal and regulatory requirements applicable in connection with the Participant's use of the Liquidnet Europe Negotiation MTF, including the following:

- (a) a Participant must not do or engage in any conduct which is in breach of any rules of any relevant Competent Authority;
- (b) a Participant must not knowingly prearrange a specific trade with an affiliated customer through Liquidnet in violation of Applicable Law;
- (c) a Participant must not engage in any unlawful distribution of securities through the Liquidnet Europe Negotiation MTF;
- (d) where relevant, a Participant must not engage in any Rule 144 sale without prior notice to, and approval by, Liquidnet that the transaction meets the requirements of Rule 144;
- (e) where relevant, a Participant must not engage in any Rule 144A sale through the Liquidnet Europe Negotiation MTF;
- (f) where relevant, a Participant must not engage in any Regulation S transaction through Liquidnet;

- (g) a Participant must not sell any security through the Liquidnet Europe Negotiation MTF if the security is subject to a right-of-first refusal or other restriction on resale pursuant to contract or pursuant to applicable securities laws, unless agreed to by Liquidnet and subject to the condition that the transferee acquires the security free of any such restrictions;
- (h) a Participant must deliver a prospectus to Liquidnet in connection with any resale by prospectus;
- (i) a Participant must comply with Liquidnet's requirements relating to short sales;
- (j) a Participant must not engage in any activity that constitutes market manipulation;
- (k) a Participant must not engage in any form of market abuse;
- (l) a Participant must comply with any local laws and rules applicable to holders or acquirers of large positions, including reporting requirements and restrictions on purchase;
- (m) a Participant must not acquire a higher percentage of ownership through Liquidnet in a company or trust than it is entitled to under relevant legislation or the constitution of the company or trust; and
- (n) Participants are responsible to comply with any currency control restrictions that are applicable to them when trading in a particular jurisdiction.

27. Market Conduct

27.1. Liquidnet oversees and regulates all trading conducted on the Liquidnet Europe Negotiation MTF in order to maintain and promote the integrity of its marketplaces. In accordance with its regulatory obligations, Liquidnet specifically monitors trading activity conducted on its platforms for breaches of MAR, disorderly trading conditions, compliance with these Rules and compliance with the Liquidnet Trading Rules.

27.2. Participants are strongly advised to consult Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation). It is also imperative that Participants obtain appropriate legal guidance to ensure compliance with Applicable Laws in respect of their trading activities, whether on a Liquidnet Europe Equity MTF or through any other investment firm or execution venue.

28. Prohibited Practices

28.1. In respect of any business carried out on a Liquidnet Europe Equity MTF and in accordance with Applicable Law, Participants shall not (and shall procure that their clients, customers, and respective traders shall not) independently or in collusion with others:

- (a) commit any act or engage in any course of conduct which creates, or is likely to create, a false or misleading impression of the market in, or the price, supply, or value of, any security;
- (b) cause or enter into any artificial transaction;
- (c) generate an order, whether through a negotiation or otherwise, displaying a fictitious quantity or price;
- (d) commit any act or engage in any course of conduct which is likely to damage the fairness or integrity of Liquidnet, or which will or is likely to bring Liquidnet or the Liquidnet Europe Negotiation MTF into disrepute;
- (e) commit any act or engage in any course of conduct which causes, or contributes to, a breach of these Rules or the Liquidnet Trading Rules by another Participant;
- (f) effect one or more pre-arranged transactions designed to give the market a false view of supply, demand or pricing of a security, related security or derivative or index;
- (g) commit any act or engage in any course of conduct which is likely to amount to a breach of Applicable Law or any equivalent provisions relating to other jurisdictions applicable to equities admitted to trading on all of Liquidnet's MTFs and trading platforms; or
- (h) take any action which may falsely indicate an intention to trade.

29. Data Protection Law

29.1. Notwithstanding anything to the contrary in the Participation Agreement (or any related documents), with effect from 3 January 2018, when processing personal data provided by Participants in connection with the operation of the Liquidnet Europe Fixed Income MTF or otherwise pursuant to these Rules, Liquidnet shall be a data controller. Liquidnet shall comply with its obligations as a data Controller pursuant to data protection laws applicable to it from time to time, and shall:

- (a) implement appropriate technological and organisational security measures to safeguard personal data provided by Participants;
- (b) notify relevant Participants of any breach of data security affecting the personal data that the Participants have provided within the timescales required by the applicable data protection laws; and
- (c) provide reasonable assistance to Participants in relation to their compliance with applicable data protection laws relating to their use of the Liquidnet Europe Negotiation MTF.

30. Notification and Investigations

30.1. The following are Liquidnet's procedures for notification and investigations in relation to market conduct on the Liquidnet Europe Negotiation MTF:

- (a) A Participant is required to notify Liquidnet's Surveillance department immediately upon becoming aware of a contravention by itself or any other Participant of these Rules or the Liquidnet Trading Rules by: calling the Surveillance hotline at + 44 20 7614 1659, or sending an e-mail to surveillance-europe@liquidnet.com;
- (b) In accordance with Applicable Law, Liquidnet may require the immediate provision by a Participant of information relating to orders, invitations, negotiations and transactions in a format, electronic or otherwise, as reasonably specified by Liquidnet;
- (c) In accordance with Applicable Law, Participants are required to cooperate promptly with Liquidnet during any investigations into trading activity or attempted trading activity on the Liquidnet Europe Negotiation MTF by Liquidnet's Surveillance Department; and
- (d) Communication with Participants regarding rule contraventions will be handled through Liquidnet's Surveillance Department.

31. Cooperation and Communication with Regulators

31.1. In accordance with Applicable Law, Liquidnet cooperates, by the sharing of information and documents and otherwise, with any Competent Authority including, but not limited to:

- (a) reporting to any relevant Competent Authority any significant breaches of these Rules, including disorderly trading conditions and conduct that may involve market abuse;
- (b) supplying information required by any relevant Competent Authority; and
- (c) assisting any relevant Competent Authority in any investigation of market abuse.

31.2. Participants must cooperate with Liquidnet and any relevant Competent Authority in any investigation conducted in relation to trading on the Liquidnet Europe Negotiation MTF.

31.3. Liquidnet has the power to do all things necessary to comply with Applicable Law or requests of any relevant Competent Authority.

32. Consequences and Sanctions

32.1. Liquidnet shall have the discretion to refuse to accept an order, or if an order has been accepted shall have the right to cancel the order or trade, if Liquidnet believes that the order is manipulative, deceptive or fraudulent or that such action is necessary in order to preserve the orderliness and integrity of the market and the Liquidnet Europe Negotiation MTF.

32.2. Liquidnet shall also have absolute discretion in using any/all of the following sanctions for breaches of these Rules or the Liquidnet Trading Rules by a Participant:

- (a) communication to any relevant Competent Authority;
- (b) verbal warning;
- (c) formal written warning;
- (d) temporary suspension; and
- (e) termination of participation in the Liquidnet Europe Equity MTF.

33. Appeals

33.1. Participants who are concerned that they have been unfairly sanctioned by Liquidnet may appeal in writing to the Managing Director of Liquidnet at the following address:
Liquidnet Europe Limited
135 Bishopsgate
London EC2M 3TP

The matter will then be re-examined by the Disciplinary Committee with representation of the Managing Director.

34. Amendment of the Rules

34.1. Power to Amend the Rules

Liquidnet may, in its absolute discretion, amend the Rules upon notice to the Participants (as set forth below).

34.2. Procedure for Amendment

Liquidnet will notify any amendments to the Rules to Participants by Participant Notice as soon as practicable together with an effective date for change.

Liquidnet will in its discretion decide whether amendments made in an emergency will be repealed once it is no longer necessary for the amendment to be in force.

Annex A

Jurisdictions in which securities admitted to trading on the Liquidnet Europe Negotiation MTF are listed

Austria
Belgium
Cyprus
Czech
Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Latvia
Lichtenstein
Lithuania
Luxembourg
Malta
The Netherlands
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
The UK