

LIQUIDNET EUROPE LIMITED (“LIQUIDNET”)

LIQUIDNET EUROPE EQUITY MTF PARTICIPATION RULES

1 Glossary

Term	Meaning
Competent Authority	means the authority designated by each member state of the EEA in accordance with Article 48 of MiFID 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.
EEA	means the European Economic Area.
Eligibility Criteria	means the Eligibility Criteria set forth in clause 4 of these Rules.
Erroneous Order	means 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	means 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	means the Financial Conduct Authority of the United Kingdom.
FCA Rules	means the FCA Handbook of Rules and Guidance as amended from time to time.
FSMA	means the Financial Services and Markets Act 2000 of the United Kingdom (U.K.) as amended from time to time.
General Clearing Member/GCM	means an entity, recognised by an MCF, appointed by a Participant to perform post-execution services on behalf of the Participant.
Individual Clearing Member/ICM	means an entity, recognised by an MCF, which performs post-execution services.

Liquidnet	means Liquidnet Europe Limited, a U.K. 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 Equity MTFs. 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 Equity MTFs, unless the context otherwise requires.
Liquidnet Trading Rules	means the 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 Equity MTFs	means the Liquidnet Europe H2O MTF and the Liquidnet Europe Negotiation MTF.
Liquidnet Europe H2O MTF	means the MTF operated by Liquidnet for the automated execution of orders at the Mid-Price.
Liquidnet Europe Negotiation MTF	means the MTF operated by Liquidnet for negotiated trades.
LP Agreement	means an agreement entered into between an LP Participant and Liquidnet that, along with these Rules, governs the LP Participant’s access to and participation in the Liquidnet Europe Equity MTFs.
LP Participant	means a Liquidity Partner Participant in the Liquidnet Europe Equity MTFs (also known as a “Liquidity Partner”) authorised and admitted in accordance with clause 4 of these Rules. An LP Participant can be a securities dealer or the operator of an MTF or a Regulated Market. A LP Participant is not a client of Liquidnet as defined by FCA Rules and MiFID requirements, and Liquidnet will not have any of the responsibilities or obligations to an LP Participant that are owed to, or arise out of transactions for, a client under FCA Rules, MiFID and any other applicable rules and requirements.
MAR	means the FCA’s Code of Market Conduct.

Mid-Price	means 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 Equity MTFs, 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	means the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC) and Commission Regulation (EC) 1287/2006 implementing Directive 2004/39/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 Commission Directive No. 2006/73/EC implementing Directive 2004/39/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.
MTF	means a Multilateral Trading Facility as defined in article 4(1)(15) of MiFID.
Multilateral Clearing Facility/MCF	means an entity appointed by Liquidnet or an LP Participant to provide post-execution services.
Order	means 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	means a participant in a Liquidnet Europe Equity MTFs; Participants consist of LP Participants and Liquidnet accessing the Liquidnet Europe Equity MTFs as a broker on behalf of its clients.
Participant Notice	means any notice published or disseminated by Liquidnet to Participants from time to time.
Primary Market	means the market on which Liquidnet determines a Security has its primary listing.
PTM Levy	means the levy determined by and payable to the Panel on Takeovers and Mergers.
Regulatory Suspension of Trading	means a suspension of trading, in a Security, on a Primary Market for regulatory reasons.

Rules	means these Rules as amended from time to time.
Security	means a security eligible for trading on the Liquidnet Europe Equity MTFs in accordance with clause 8 of these Rules.
SIX Liquidnet Service	means the facility operated by Liquidnet on behalf of the SSX that facilitates trading of SSX-listed and SSX-admitted equity securities.
SSX	means the SIX Swiss Exchange.
Statement of Authority	means a statement by a GCM or an ICM to an MCF stating that it authorizes a specified Participant to conclude trades on Liquidnet Europe Equity MTFs for which the GCM or ICM, as applicable, has accepted responsibility.

2 General

- 2.1 The Liquidnet Europe Equity MTFs are MTFs operated by Liquidnet, and will comply with all applicable rules and regulations, including these Rules. They offer non-display liquidity to Participants and uses the pre-trade transparency waiver available for reference price systems under MiFID. Orders that rely on these waivers will not be pre-trade transparent.
- 2.2 The Liquidnet Europe Equity MTFs are 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.

3 Access

Access to the Liquidnet Europe Equity MTFs is available to Participants that meet the applicable Eligibility Criteria set forth below. Liquidnet accesses the Liquidnet Europe Equity MTFs acting in a broker capacity on behalf of its clients and customers who have met all relevant eligibility criteria contained in the Liquidnet Trading Rules.

4 Eligibility Criteria for Participants

- 4.1 In accordance with MAR, all Participants must:
 - 4.1.1 be EEA or Swiss regulated investment firms or other organisations who are fit and proper and who demonstrate to Liquidnet that they are suitable for admission;
 - 4.1.2 have a sufficient level of trading ability and competence;
 - 4.1.3 have adequate organisational arrangements and satisfy any technical requirements determined by Liquidnet; and
 - 4.1.4 have adequate systems, procedures, controls and sufficient resources to satisfy their obligations pursuant to these Rules.

- 4.2 Each LP Participant must enter into and maintain in effect an LP Agreement with Liquidnet mutually acceptable to the LP Participant and Liquidnet, and the LP Participant must comply with its obligations under such agreement.
- 4.3 Where a Participant is a broker participant of the SSX participating in the SIX Liquidnet Service, Liquidnet has entered into an agreement with the SSX, in lieu of a routing agreement with each broker participant.
- 4.4 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.
- 4.5 Each Participant shall satisfy one of the following criteria in relation to their clearing and settlement arrangements:
 - 4.5.1 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;
 - 4.5.2 the Participant is itself an ICM that has interoperability with Liquidnet's MCF and shall provide a Statement of Authority to Liquidnet's MCF;
 - 4.5.3 the Participant has appointed its own MCF or Liquidnet's MCF to provide post-execution services; or
 - 4.5.4 with the prior consent of Liquidnet, traditional broker-to-broker clearing and settlement arrangements have been put in place.
- 4.6 Participation as a Participant of the Liquidnet Europe Equity MTFs shall become effective on such date and at such times as Liquidnet may specify upon satisfactory fulfillment of the items listed above.

5 Participant Continuing Responsibilities

- 5.1 Participants will be responsible for all orders submitted and actions taken on the Liquidnet Europe Equity MTFs by its officers, employees and agents and for ensuring their ongoing compliance with these Rules.
- 5.2 Participants must at all times have adequate internal procedures and controls and must have adequate execution, order management and settlement arrangements in place.
- 5.3 If required by FCA Rules or other rules or regulations, Participants must have voice recording arrangements in place and must comply with applicable record retention requirements in relation thereto.
- 5.4 All Participants are responsible for ensuring adequate training, experience, knowledge and supervision of any persons who submit orders on behalf of the Participant.
- 5.5 Participants are responsible for retaining records of all orders entered into on the Liquidnet Europe Equity MTFs for a minimum of 5 years. Any such record must be capable of being produced for inspection on demand in legible form.

- 5.6 Participants will be bound by these Rules and by any decision of Liquidnet made pursuant to these Rules.
- 5.7 LP Participants must notify Liquidnet as soon as practically possible to the address set forth for Liquidnet in the LP Agreement on the occurrence of any of the following:
 - 5.7.1 a change in the LP Participant's name, contact details or legal status five (5) business days in advance of any change taking effect;
 - 5.7.2 a change of control of the LP Participant within the meaning given under FSMA within five (5) days of becoming aware;
 - 5.7.3 a material change or intervention regarding the LP Participant such as enforcement action by a Competent Authority or litigation to the extent that it affects the ability of the LP Participant to comply with these Rules;
 - 5.7.4 immediately upon the LP Participant becoming aware that it is likely to or has entered into solvency or that an administrator, administrative receiver or receiver will or has been appointed in respect of the whole or any part of the assets or business;
 - 5.7.5 a loss of connectivity, or other technical issues which might affect the LP Participant's ability to comply with these Rules, to Liquidnet promptly upon becoming aware;
 - 5.7.6 a material breach of these Rules upon becoming aware thereof; or
 - 5.7.7 a change in the list of individuals that are authorised to act on behalf of the LP Participant.

6 Term of Participation

- 6.1 A Participant may terminate its participation in the Liquidnet Europe Equity MTFs 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 Equity MTFs 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 Equity MTFs.
- 6.4 A Participant shall continue to be bound by these Rules with respect to all activity in the Liquidnet Europe Equity MTFs until the latest of:
 - 6.4.1 the date it ceases to be a Participant;
 - 6.4.2 the date on which all trades by the Participant in the Liquidnet Europe Equity MTFs are settled and completed; and
 - 6.4.3 the date on which any outstanding charges or other sums due relating to the Participant's activity in the Liquidnet Europe Equity MTFs 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 shall be liable for the payment of any applicable taxes arising from the trading of Securities in the Liquidnet Europe Equity MTFs, including but not limited to stamp duty reserve tax.
- 7.3 It is the obligation of the Participant to determine whether taxes arise from the trading of Securities in the Liquidnet Europe Equity MTFs, and to apply for any exemptions from such taxes.

8 Securities Traded on the Liquidnet Europe Equity MTFs

8.1 Securities Eligible for Trading

- 8.1.1 Liquidnet will determine in its absolute discretion which Securities are eligible for trading on Liquidnet Europe Equity MTFs. Liquidnet will notify Participants of any Security admitted or removed from trading on the Liquidnet Europe Equity MTFs by notice.
- 8.1.2 Securities admitted to trading on the Liquidnet Europe Equity MTFs are equity securities listed on a recognized exchange or MTF in the jurisdictions listed in Annex A to these Rules (as may be amended from time to time).

8.2 Corporate Actions

- 8.2.1 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.
- 8.2.2 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 Orders

The process and rules governing the transmission and execution of orders are set forth in the Liquidnet Trading Rules.

11.3 Negotiation Functionality

Negotiation functionality for Securities is provided by Liquidnet in its capacity as agency broker. All negotiated transactions in such Securities are executed on the Liquidnet Europe Negotiation MTF.

11.4 Settlement

- 11.4.1 A Participant must, in respect of transactions executed on the Liquidnet Europe Equity MTFs, 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.
- 11.4.2 Where the Participant is acting as agent for another party, and failure to deliver Securities and/or cash is the fault of the third party, the Participant will be bound as principal with the counterparties to the transaction or must have arrangements with an MCF or other third party that will be bound as principal with the counterparties to the transaction.
- 11.4.3 The settlement due date for all transactions guaranteed by an MCF and executed on the Liquidnet Europe Equity MTFs mirrors the settlement due date for transactions executed on the Primary Market.

- 11.4.4 Participants shall ensure that Securities delivered in settlement of a transaction are free of any charge or encumbrance.
- 11.4.5 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.
- 11.4.6 Unless otherwise agreed, a transaction in any Security shall be settled in the standard place of settlement for that Security.
- 11.4.7 Liquidnet is not responsible for and shall not be liable for the default of any LP Participant or its clients on any trade.
- 11.4.8 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 to Liquidnet shall be followed.

11.5 Regulatory Suspensions of Trading

- 11.5.1 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.
- 11.5.2 Liquidnet will comply with any instruction made by a Competent Authority to suspend or remove a Security from trading.

11.6 Erroneous Trades and Orders

- 11.6.1 Liquidnet, acting with due skill care and diligence, has discretion to cancel an Erroneous Trade or delete an Erroneous Order.
- 11.6.2 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.
- 11.6.3 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%.

11.6.4 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.

11.7 Trade Cancellations

11.7.1 A Participant may submit a request to cancel a trade before 16:45 on the trade day by telephone to Liquidnet +44 (0) 20 7614 1610 with a confirmation by electronic mail of the request to TradeBreak-London@liquidnet.com.

11.7.2 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).

11.8 Systems Issues Policy

Technical or other issues may from time to time impact the Liquidnet Europe Equity MTFs 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 a Liquidnet Europe Equity MTFs, 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. Participant indications are non-binding, and the Liquidnet Europe Equity MTFs do not route indications to any other execution venues, hence customers can trade on other execution venues by giving instructions to the Liquidnet trading desk or to their other brokers. Liquidnet will notify affected Participants when the system issue is resolved and trading on the Liquidnet system is available.

11.9 Trading Halts

Liquidnet complies with all trading halts initiated by a Competent Authority or recognised exchange 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).

11.10 Emergency Powers

Liquidnet may suspend all trading on the Liquidnet Europe Equity MTFs or impose conditions on trading on the Liquidnet Europe Equity MTFs, 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.

11.11 Trade Confirmations

Trade confirmations for all trades executed on the Liquidnet Europe Equity MTFs 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.

11.12 Trade Reporting

Upon the conclusion of a trade on a Liquidnet Europe Equity MTF, Liquidnet will distribute information that will constitute a trade report for the purposes of FCA Rules and the requirements of MiFID. Participants must not report trades concluded on the Liquidnet Europe Equity MTFs in satisfaction of any FCA Rules or MiFID requirements.

11.13 Transaction Reporting

Liquidnet will file transaction reports as required by law or regulation.

12 Monitoring and Compliance

12.1 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 Equity MTFs, including the following:

- 12.1.1 A Participant must not do or engage in any conduct which is in breach of any rules of any relevant Competent Authority;
- 12.1.2 A Participant must not knowingly prearrange a specific trade with an affiliated customer through Liquidnet in violation of applicable law;
- 12.1.3 A Participant must not engage in any unlawful distribution of securities through the System;
- 12.1.4 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;
- 12.1.5 A Participant must not engage in any Rule 144A sale through the System;
- 12.1.6 A Participant must not engage in any Regulation S transaction through Liquidnet;

- 12.1.7 A Participant must not sell any security through the System 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;
- 12.1.8 A Participant must deliver a prospectus to Liquidnet in connection with any resale by prospectus;
- 12.1.9 A Participant must comply with Liquidnet's requirements relating to short sales;
- 12.1.10 A Participant must not engage in any activity that constitutes market manipulation;
- 12.1.11 A Participant must not engage in any form of market abuse;
- 12.1.12 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;
- 12.1.13 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;
- 12.1.14 A Participant should not trade stock that is on a customer's internal restricted list; and
- 12.1.15 Participants are responsible to comply with any currency control restrictions that are applicable to them when trading in a particular jurisdiction.

12.2 **Market Conduct**

- 12.2.1 Liquidnet oversees and regulates all trading conducted on the Liquidnet Europe Equity MTFs 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.
- 12.2.2 Participants are strongly advised to consult MAR1 of the FCA Handbook, available at <http://fsahandbook.info/FSA/html/handbook/MAR>. It is also imperative that Participants obtain appropriate legal guidance to ensure compliance with MAR1 in respect of their trading activities, whether on a Liquidnet Europe Equity MTF or through any other investment firm or execution venue.

12.3 **Prohibited Practices**

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

- 12.3.1 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;
- 12.3.2 Cause or enter into any artificial transaction;
- 12.3.3 Generate an order, whether through a negotiation or otherwise, displaying a fictitious quantity or price;
- 12.3.4 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 Equity MTFs into disrepute;
- 12.3.5 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;
- 12.3.6 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;
- 12.3.7 Commit any act or engage in any course of conduct which is likely to amount to a breach of MAR or any equivalent provisions relating to other jurisdictions applicable to equities admitted to trading on all of Liquidnet's MTFs and trading platforms; or
- 12.3.8 Take any action which may falsely indicate an intention to trade including, but not limited to:
 - (a) A repeated pattern of going active on an indication and then declining invitations to negotiate when there is no valid explanation for such actions; and
 - (b) A repeated pattern of moving a specific indication outside and back into a Liquidnet Europe Equity MTF multiple times without an intention to trade.

12.4 Automated Market Surveillance for Securities

- 12.4.1 Liquidnet has implemented automated system controls to address potential prohibited practices under MAR, which may in particular be implemented under the following circumstances:
 - (a) A Participant repeatedly moves a match between outside and in the pool and fails to take a positive action when matched; or
 - (b) A Participant declines an invitation or exits a negotiation shortly after setting an indication to active.
- 12.4.2 The potential automated remedies in response to a detected offending activity as described in clause 12.4.1 above are either or both of the following, depending upon the facts of the particular situation:
 - (a) The System automatically alerts the Participant as to the offending activity; or

- (b) The System automatically blocks the offending Participant from matching in the applicable symbol for the remainder of the day.

12.4.3 Liquidnet can remove a block instituted in accordance with the preceding bullet if Liquidnet determines that the Participant acted in accordance with Liquidnet protocols, subject to approval by Liquidnet's Surveillance Department.

12.5 Notification and Investigations

The following are Liquidnet's procedures for notification and investigations in relation to market conduct on the Liquidnet Europe Equity MTFs:

- 12.5.1 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 (0) 207-614-1659, or sending an e-mail to surveillance-europe@liquidnet.com;
- 12.5.2 In accordance with MAR, 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;
- 12.5.3 In accordance with MAR, Participants are required to cooperate promptly with Liquidnet during any investigations into trading activity or attempted trading activity on either of the Liquidnet Europe Equity MTFs by Liquidnet's Surveillance Department; and
- 12.5.4 Communication with Participants regarding rule contraventions will be handled through Liquidnet's Surveillance Department.

12.6 Cooperation and Communication with Regulators

- 12.6.1 In accordance with MAR and other applicable regulations, 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.
- 12.6.2 Participants must cooperate with Liquidnet and any relevant Competent Authority in any investigation conducted in relation to trading on the Liquidnet Europe Equity MTFs.
- 12.6.3 Liquidnet has the power to do all things necessary to comply with relevant laws, regulations or requests of any relevant Competent Authority.

12.7 Consequences and Sanctions

12.7.1 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 Equity MTFs.

12.7.2 Liquidnet shall also have absolute discretion in using any/all of the following sanctions for breaches of these Rules or the Liquidnet Trading Rules: communication to any relevant Competent Authority; verbal warning; formal written warning; temporary suspension; and termination of participation in the Liquidnet Europe Equity MTF. Warnings may be provided by Liquidnet's Compliance and Surveillance staff; other sanctions are subject to approval by Liquidnet's Disciplinary Committee.

12.8 Appeals

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
21st floor, Broadgate Tower
Primrose Street, Bishopsgate
London EC2A 2EW

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

13 Amendment of the Rules

13.1 Power to Amend the Rules

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

13.2 Procedure for Amendment

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

13.2.2 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 Equity MTFs 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