



Trading Procedures

Version 1.7 (October 2009)

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Introduction

These procedures set out the further details on the matters referred to in the Rules and the information and requirements for using the System.

Defined Terms

Except where otherwise indicated, defined terms in this document follow those set out in the Rules.

Opening Hours (Definitions)

Period	London Time	Action
Connectivity Begins	06:50	Participant system connectivity can begin.
Continuous Trading Period	07:50 – 17:00	Orders can be entered, modified and cancelled. Trades occur on a price/display/time priority.
Connectivity Ends	17:05	System close. All open Orders are cancelled back to Participants.

Maintenance and support in respect of the System will be offered to Participants between 06:45 and 17:15 London time every Business Day.

Away Markets (Definitions)

List of Away Markets
BATS Europe
Borsa Italiana
Chi-X Europe
Deutsche Börse
London Stock Exchange
NASDAQ OMX Copenhagen
NASDAQ OMX Helsinki
NASDAQ OMX Stockholm
NYSE Euronext – Amsterdam
NYSE Euronext – Brussels
<u>NYSE Euronext – Lisbon</u>
NYSE Euronext – Paris
Oslo Bors
Turquoise
Wiener Börse

List of Securities Currently Traded on the Market (Definitions)

• Shares	• ETF's/ETC's
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Main Order Types and Definitions (Definitions and Rule 5.10)

BOOK (non-routable)

Orders will only execute on the order book, and not route to Away Markets.

SELF (non-routable) – NEURO Dark only

Orders will only execute against a Participant's own Orders.

SELF+ (non-routable) – NEURO Dark only

Orders will be executed in firm-time priority.

BLNK (routable)

The Order first attempts to execute against Orders available in the book at a price equal to or better than the primary market BBO*. If no such Orders exist, it will post on the book for 25 milliseconds; it will then route to the primary market. If not immediately executed, the Order will post on the primary market.

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PRIM (routable)

The Order first attempts to execute against Orders available in the book at a price equal to or better than the primary market BBO*; it will then route to the primary market. If not immediately executed, the Order will post on the primary market.

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The Order first attempts to execute against Orders available in the book at a price equal to or better than the primary market BBO; it will then route to the primary market. If Securities remain unexecuted after the Order is routed they are posted on the book.¶

¶ Once the Order is posted on the book, the System will not route out again.¶

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SCAN (routable)

The Order first attempts to execute against Orders available in the book at a price equal to or better than the EBBO; it will then route to the Away Markets*. If Securities remain unexecuted after the Order is routed they are posted on the book.

Once the Order is posted on the book, the System will not route out again.

STGY (routable)

STGY behaves similar to SCAN*, except that the Order will route out again after posting on the book.

Deleted: SPDY (routable)¶

The Order first attempts to execute against Orders available in the book at a price equal to or better than the consolidated BBO of the available MTFs; it will then route to the MTFs. If Securities remain unexecuted after the Order is routed they are posted on the book.¶

¶ Once the Order is posted on the book, the System will not route out again.¶

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*The strategy will act as described where display code “y” is used. Where display code “Y” is used, the Order will also check against any available liquidity on NEURO Dark before routing to the Away Markets.

N.B. Please see the table of routing strategies on our website for other variations. Other Order types may be made available from time to time. Please raise any questions or discuss particular requirements with the Market Operations Department.

Attributes of Order Types

Fill or Kill

An Order submitted to the Operator that executes in full against eligible Orders or is automatically cancelled.

Iceberg Order

An Order submitted to the Operator with a specified size and display size. Only the display size indicated in the Order will be visible on the book. The displayed portion has price / time priority over other Orders. The non-displayed portion only has price priority over displayed Orders.

Immediate or Cancel (IOC)

An Order submitted to the Operator which executes either in full or in part, the remainder of which is automatically cancelled.

Limit Order

An Order submitted to the Operator with a specified price and size.

Market Order / Market Peg

An Order submitted to the Operator which is pegged to the opposite side of the EBBO.

Mid-Point Peg

An Order submitted to the Operator which is pegged to the mid-point of the EBBO.

Non-displayed Order

An Order that is not displayed to any Participant other than the one who entered it into the System and the Operator itself. These are only available for trades that are large in size, or for those that qualify for and are entered into NEURO Dark.

Post Only

An Order that ensures that the Order will add liquidity to the book. If other Orders exist that would interact with the Post Only Order, the Post Only Order will be rejected.

Primary Peg

An Order submitted to the Operator which is pegged to the same side of the EBBO.

NEURO Dark (Definitions)

NEURO Dark is a separate continuous crossing system for Orders that are priced at the mid-point of the primary market. All Orders that fulfil this criterion qualify for NEURO Dark. All Orders that qualify for and are entered into NEURO Dark are Non-displayed Orders.

List of Shares (Definitions)

The Operator offers trading in all constituents of the following indices:

Austria (ATX)
Belgium (BEL 20)
Denmark (OMXC 20)
Finland (OMXH 25)
France (CAC 40, ~~NEXT 20 & SFB 120~~)
Germany (DAX 30 & MDAX)
Italy (S&P/MIB 40)
Netherlands (AEX 25 & AMX 25)
Norway (OBX 25)
Portugal (PSI 20)
Spain (Madrid General)
Sweden (OMXS 30 & ~~OMXS 30 NEXT~~)
Switzerland (SMI)
UK (FTSE 100 and FTSE 250)

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and certain other shares that are listed on the Operator's website.

The Operator intends to be able to offer trading in all constituents of the following indices shortly:

Ireland (ISEQ 20)

Unauthorised Use of Usernames and Passwords (Rule 4.9)

If a Participant becomes aware of:

- a) Any unauthorised disclosure or use of any password assigned to it;
- b) Any unauthorised access to the System; or
- c) The need to deactivate any password assigned to it,

one of the Participant's Designated Representatives must notify the Operator's Market Operations Department on +44 20 7065 8160 immediately.

The Operator will, in a timely manner, take action in accordance with the Participant's request which might include one or more of the following:

1. Disconnecting the port
2. Temporarily blocking access to the port
3. Changing the username and password on the port
4. Cancelling the port
5. Cancelling open Orders
6. Running an execution report

Shares and Order Types for which Smart Order Routing is Available (Rule 5.2)

All shares listed above, except those that the Operator or the SOR Broker may from time to time in their absolute discretion designate as being difficult to trade (e.g. they are hard to borrow, or there are internal restrictions on the ability to trade them), and all order types listed above, except BOOK, SELF and SELF+ orders, are available for smart order routing.

Order Details Required (Rule 5.4)

An Order will not be accepted for execution on the Market unless it includes the following details:

- Security, size and price;
- purchase or sale;
- time in force;
- Displayed Order or Non-displayed Order;
- whether the Participant is trading for own account, or trading for the account of Clients; and
- the Participant identifier as provided to the Participant by the Operator.

Criteria for Matching (Rule 5.11)

Orders other than those that are entered into NEURO Dark are matched based on price-display-time priority.

All Orders on NEURO Dark are priced at the mid-point of the primary market and are Non-displayed Orders. SELF Orders will only match against a Participant's own Orders. SELF+ Orders are based on firm-time priority.

Method of Determining EBBO (Rule 5.12)

Data feeds will be consumed from Away Markets. The best price from each market will be ranked and identified with a market identifier. This information will be consumed by two systems; the routing system to determine best price and appropriate designation, and the pegging system.

Tick Sizes and Method of Changing (Rule 5.14)

The tick size of a security will ordinarily be set so that it is identical to that of the primary market.

Any changes to the tick size of a security so that it differs from that of the primary will be notified to Participants via a Market Notice and/or by the publication of tick size tables on the Operators website.

Order Size

Minimum order size: 1 share

Maximum order size: 9,999,999 shares

Clearly Erroneous Orders (Rule 5.17)

Who May File	<p>Any of a Participant's Designated Representatives ("the Applicant").</p> <p>The Operator may initiate the procedures in the case of a system disruption or market event.</p>
Type of Filing Accepted	Email euroce@nasdaqomx.com or fax +44 20 7065 8001 only.
Filing Deadlines	<p>Email or fax request must be received by the Operator's Market Operations Department by 17:00 on the day of the execution. The Operator's email or fax timestamp will be used to determine time of receipt.</p> <p>Where the Operator has initiated the procedure, it will take action within a timely manner but no later than 17:00 the following trading day.</p>
Process Upon Receipt	<p>The Operator will contact the Applicant to confirm receipt of the filing. The Applicant will be given 30 minutes to submit supporting documentation. This may be extended at the sole discretion of the Operator in exceptional circumstances.</p> <p>The Operator will contact the counterparty to the trade subject to the filing ("the Counterparty") to notify them of the filing. The Counterparty will be given 30 minutes to submit any information it wants to be considered in respect of the filing. This may be extended at the sole discretion of the Operator in exceptional circumstances.</p> <p>If either Participant communicates to the Operator that it does not have any supporting documentation or information for consideration, it will not be able to subsequently do so unless requested to by the Operator.</p> <p>Both Participants are required to cooperate with the Operator and provide any information reasonably requested to resolve the matter.</p>
Withdrawal of Filing	A request to withdraw a filing will only be accepted by the Operator if it receives confirmation from both the Applicant and the Counterparty of the desire to do so.
Operators Decision	<p>Once the Operator has received any and all information from the Participants necessary to adjudicate on the filing, the Operator will make one of the following decisions:</p> <ul style="list-style-type: none"> • Decline to act; • Declare the trade erroneous and cancel it; or • Declare the trade erroneous and adjust the terms.
Criteria	<p>The Operator may, but it not limited to, use the following criteria in determining whether an Order is clearly erroneous:</p> <ul style="list-style-type: none"> • Supporting documentation from either Participant; • Analysis of market data; • Analysis of market events;

	<ul style="list-style-type: none"> • Analysis of company news; and/or • The percentage price movement above the last trade of the security.
Notification of Decision	<p>The Operator may notify the Participants of its decision by telephone, voicemail, fax, or email to any of the Participant's Designated Representatives.</p> <p>Where the Operator adjudicates on a filing it has itself initiated, a press release, broadcast message, or another method may be used if large numbers of trades are involved.</p>
Appeal Process	The Operators decision is final, and the Participants do not have a right to appeal.

Cancellation or Reversal of Trades (Rule 5.18)

If two Participants agree to cancel or reverse a trade, the Operator requires written confirmation from a Designated Representatives of each Participant.

The Operator will accept written confirmations by mail, email or fax.

Upon receipt of this confirmation, the Operator's Market Operations Department will either:

- a) cancel the Trade, if the confirmations have been received on the same day as the trade date; or
- b) reverse the Trade, if the confirmations have been received after the trade date but before the settlement date, by entering an equal and opposite Trade into the System if the CCP agrees.

The Operator will provide written confirmation of this to each Participant.

Cancellation of Orders Following Participant System Failure

If a Participant is experiencing system failure one of the Participant's Designated Representatives may contact the Operator's Market Operations Department on +44 20 7065 8170 to request a mass cancellation of their open Orders. The Operator will attempt a mass cancellation on a best efforts basis. Any cancels achieved during this process will be sent back electronically through the Participant's Application Programming Interface ("API") connection. If the Participant is experiencing technical issues and cannot receive Order cancellations back through their API connection, they may request an execution report which will list all Orders that have executed for the period designated by the Participant.

Standard Place of Settlement (Rule 6.1)

All trades will be settled locally in the central securities depository.