



Liquidity Provider Scheme for IOB Securities - Qualification for Nominated Clients

Native Trading Gateway Users

This document is a statement of the policies relating to participation by Nominated Clients (as defined below) in the Liquidity Provider Scheme for IOB securities (the “**Scheme**”). If you have any queries regarding the policies please contact your Account Manager.

Any Member Firm that wishes to include a Nominated Client in the Scheme must provide the Exchange with the declaration in the form set out below. A separate declaration must be completed for each Nominated Client.

The declaration should be signed, scanned and sent by email to clients@lseg.com by 15:00 London time on the last business day of the calendar month prior to qualification for the Scheme in the form set out below.

Where a Nominated Client is no longer to be included in the Scheme, the Member Firm must inform the Exchange by email to clients@lseg.com by 15:00 London time on the last business day of the calendar month prior to the calendar month that the Nominated Client should no longer be included in the Scheme.

Member Firms are reminded that they retain ultimate responsibility under the Rules of the London Stock Exchange for all trading activity carried out by their Nominated Clients.

The Exchange reserves the right to withdraw the Scheme at any time.

For the purposes of this document and the declaration, references to the following terms shall have the following meanings:

“**Exchange**” means the London Stock Exchange plc.

“**Nominated Client**” means the legal entity:

- which is an end-user of the Exchange’s trading services but is not a Member Firm; and
- for which a Member Firm has submitted the attached declaration to the Exchange.

“**User ID(s)**” shall have the meaning set out in the MIT201 Guide to the New Trading System, Issue 7.3, dated 14 February 2011 (as varied from time to time).

“**Nominated Client Order**” means an order which meets all of the following conditions – such order:

- has originated directly from a Nominated Client; and
- is sent via the User ID(s) identified by the Member Firm in the attached declaration, and all orders sent via such User ID(s) comprise only of instructions from the Nominated Client to whom the attached declaration relates; and

- must be placed:
 - in one tranche on the same day, at the same time and at the same price (that is, an order for a security may not be placed by way of a series of different orders on different days and/or at different times and/or for different prices); and
 - immediately after receipt of the instruction from the Nominated Client; and
- is the direct result of an instruction by the Nominated Client to the Member Firm to either:
 - buy or sell securities on behalf of the Nominated Client; or
 - to open or close a CFD or other derivative position for the Nominated Client.

Member Firms may specify either one User ID(s) or a group of User ID(s) in the attached declaration provided that such User ID(s) may only comprise orders made by the same Nominated Client.

Once the attached declaration has been submitted, any Nominated Client Orders sent under the specified User ID(s) will be used (until the Member Firm requests that the User ID(s) are removed or amended via the email address above or until otherwise notified by the Exchange) for the purposes of calculating the applicable tariff for those Nominated Client Orders as set out in the Trading Services Price List.

For the Nominated Client to qualify for the Scheme in a calendar month, passive continuous trading execution by value sent through User ID(s) must exceed 75% of all continuous execution by value in IOB securities sent through that User ID(s). The Member Firm will then receive the applicable tariff as set out in the Trading Services Price List for such Nominated Client Orders. It is required that savings in charges will be passed by Member Firms to the Nominated Client.

The Exchange reserves the right to carry out verification of the Member Firm's activity to confirm qualification for the Scheme, including visits to the Member Firm for this purpose on 5 business days' notice. The Member Firm shall allow the Exchange and its agents and employees to have access to, and to inspect the Member Firm's (and, if relevant, the Member Firm's Nominated Client's) accounts, records and other documents in respect of the Nominated Client for the purpose of confirming that all purported Nominated Client Orders of the Nominated Client meet all of the conditions set out in the definition of Nominated Client Orders above and permit the Exchange to take copies for this purpose. The Nominated Client's identity may be redacted from accounts, records and other documents, where required by the Member Firm's obligations of confidentiality (whether arising under contract, statute, common law or otherwise) to the Nominated Client.

If the Exchange concludes in its absolute discretion, either through a verification visit or otherwise, that:

- any trading activity related to the attached declaration should not have qualified for the Scheme or any part of the Scheme; and/or
- any purported Nominated Client Order related to the attached declaration does not, in fact, meet the requisite criteria for a Nominated Client Order;

the Exchange reserves the right to withdraw the Scheme for all executions related to the attached declaration and to add to the Member Firm's future monthly invoice such amount as reflects the trading fees which would have been payable had the Scheme not been applied to trading activity related to the attached declaration, together with interest at the rate of 3% over the HSBC Bank plc base lending rate calculated on a daily basis such interest to be compounded at the end of each calendar month, commencing on the due date and continuing until fully paid.

The Exchange reserves the right to amend or withdraw the Scheme at its sole discretion.

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Member Firm Declaration to London Stock Exchange plc: Nominated Clients

User ID(s):	
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It is hereby confirmed on behalf of [Member Firm] that:

- any order sent through the above User ID(s) is a Nominated Client Order as defined in the “Liquidity Provider Scheme for IOB Securities - Qualification for Nominated Clients” document; and
- savings in charges will be passed by [Member Firm] to the Nominated Client.

For and on behalf of

[Member Firm]

Date: