



## **London House Exchange - MTF Rulebook**

Date: 17 January 2023

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# London House Exchange - MTF Rulebook

## 1. INTRODUCTION

In this Rulebook all references to London House Exchange (or "us", "we" or "our") is to London House Exchange Limited, a company incorporated in England and Wales with number 8820870, with its registered address at 55 Baker Street, London, W1U 7EU. In this Rulebook all references to a Member (or "you" or "your") are to you, a person or entity which is authorised by us to make use of the London House Exchange multilateral trading facility under this Rulebook.

This Rulebook is a legal document which governs how you may use LHX. It sets out your rights and obligations, as well as London House Exchange 's rights and obligations. Please read this Rulebook carefully as you are required to follow and comply with it.

By continuing to use LHX you are indicating that you have read and accept the terms and conditions contained in this Rulebook and you agree that they apply to you. If you do not agree with any of the terms and conditions in this Rulebook you must stop using LHX immediately.

This Rulebook is intended to be in plain English. If you have any questions about this Rulebook or about any of your rights or obligations under it please contact us at [support@londonhouseexchange.com](mailto:support@londonhouseexchange.com) or on 020 3696 5600 and we would be happy to provide an explanation.

## 2. DEFINITIONS

2.1 For the purposes of this Rulebook the following terms shall have the following meanings:

"Admission Criteria" has the meaning given in Rule 6.1;

"Applicable Law" means all applicable laws, regulations, rules (including any rules, guidance, orders or other directions of a regulatory authority) applicable to: (a) London House Exchange; or (b) a Member (or Principal as the case may be); in relation to LHX;

"Authorised Person" means an individual or other third party authorised by a Member to have access to and (if so authorised by such Member) transact through LHX on the Member's behalf, and who has been given or is utilising a Log In Credential and password issued by London House Exchange for such purposes;

"Clear Error Transaction Policy" means the policy set out in Appendix 1;

"Eligible Securities" means the individual financial securities that are eligible for trading on LHX as described in Rule 13;

"FCA" means the UK Financial Conduct Authority or any successor body from time to time;

"FCA Handbook" means the Handbook of Rules and Guidance, as amended or replaced from time to time;

"Information" means data, pricing, research and other information made available over LHX to Members in relation to instruments admitted to trading on LHX;

"Insolvency Event" means the occurrence of any of the following circumstances with respect to a Member:

- (a) the Member is declared bankrupt, or insolvent, or is unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts;
- (b) any step, application or proceeding has been taken by or against the Member or in respect of the whole or any part of its undertaking, for a voluntary arrangement or composition or reconstruction or rescheduling of its debts, winding up, bankruptcy, dissolution, administration, receivership or otherwise or any similar proceeding in any jurisdiction;
- (c) the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer;
- (d) a voluntary or involuntary petition for a bankruptcy order;
- or (e) any similar event, action, application or proceeding in any jurisdiction under Applicable Law to which it is subject;

"Instruction" means any electronic order, request, response, instruction or similar communication from a Member into LHX;

"Investor Terms and Conditions" means the customer agreement with London House Exchange which each Member or potential Member enters into governing the terms on which they may invest in property using the London House Exchange Website, including accessing and trading through LHX, as replaced or amended from time to time, including any supplemental terms there to;

"Log In Credentials" means any log-in credentials, user ID, application programming interface (API) private keys, two factor authentication tokens, email encryption private keys and other access tokens, access details or account details relating to your Account;

"Market Abuse" means any behaviour that constitutes or may constitute market abuse (as defined in the FCA Handbook), market manipulation or insider trading or any other similar or analogous behaviour prohibited or subject to sanctions or penalties under Applicable Law;

"Member" means any person, including any individual or corporate entity, that has been admitted as a member of LHX pursuant to Rule 6;

"Member Eligibility Criteria" has the meaning given in Rule 5;

"Nominee" is Property Partner Nominees Limited;

"Non Trading Day" means a day on which LHX is scheduled to be closed and during which no trading or settlement will take place. A list of these days for the next calendar year shall be made public via the London House Exchange Website;

"Notice" has the meaning given to it in Rule 18.2;

"On-Boarding Documentation" means the supporting documentation that may be required by

London House Exchange from the Member from time to time to support a person's application to become a Member or satisfy our know your client requirements as required under Applicable Law;

"Principal" means an underlying entity, or client of a Member, on behalf of whom a Member executes Transactions (whether disclosed and/or identified to London House Exchange or not);

"London House Exchange" means London House Exchange Limited;

"London House Exchange Website" means the website at [www.londonhouseexchange.com](http://www.londonhouseexchange.com)

"London House Exchange" or "LHX" means the FCA regulated multilateral trading facility operated by London House Exchange for the trading of Eligible Securities in accordance with these Rules, along with the interactive electronic data communications system made available by London House Exchange for Members to obtain Information in relation to instruments admitted to trading on LHX and to effect transactions over LHX with other Members;

"Regulator" means any authority that has jurisdiction over London House Exchange or any other companies in London House Exchange's corporate group, including, for the avoidance of doubt, the FCA;

"Retail Client" has the meaning given in the FCA Handbook (as amended from time to time);

"Rulebook" means this document, as amended or replaced from time to time including any Appendices;

"Rule(s)" means the rules set out in this Rulebook;

"Suspicious Trade" means a Transaction that:

- (a) Is executed in circumstances of Market Abuse, LHX abuse or misuse; and/or
- (b) London House Exchange believes is or may be manipulative or deceptive, or part of a manipulative or deceptive scheme.

"Trading Day" has the meaning given in Rule 4.1;

"Transaction" means a transaction executed via LHX by a Member; and

2.2 A reference to a statute or statutory provision, or any Applicable Law is a reference to it as it may be amended, extended or re-enacted from time to time.

2.3 Unless the context requires otherwise, words in the singular shall include the plural and in the plural shall include the singular.

2.4 The contents page, paragraph headings and subheadings in this Rulebook are for ease of reference and do not affect the meaning of this Rulebook.

### **3. OVERVIEW**

3.1 London House Exchange is authorised and regulated by the FCA to, amongst other things, operate a multilateral trading facility on which Members may trade Eligible Securities.

3.2 London House Exchange operates a property crowdfunding platform via the London House Exchange Website, which allows individual investors to invest in property. Investors are able to buy shares in a UK private limited company which owns one or more properties and they receive any return based on the rental income and any increase in value of the relevant property. These shares are legally held by the Nominee, with investors then holding the beneficial interests in these shares.

3.3 LHX allows investors who are also Members to buy and sell beneficial interests in the shares in the UK private limited companies between one another. London House Exchange facilitates trading between two Members to enter into an agreement to buy and sell beneficial interests in such shares at a particular price.

3.4 Once a trade has taken place on LHX, London House Exchange will notify the Nominee. The Nominee will then update the register of beneficial owners to reflect that the buyer now holds the beneficial interest in the relevant shares in the UK private limited company.

3.5 These Rules govern access to LHX and are made available to the public via the London House Exchange Website in accordance with the rules in the FCA Handbook.

3.6 In particular these Rules establish:

3.6.1 transparent rules and procedures for fair and orderly trading on LHX;

3.6.2 objective criteria for the efficient execution of orders on LHX which are established and implemented in non-discretionary rules; and London House Exchange - MTF Rulebook

3.6.3 transparent rules regarding the criteria for determining which financial instruments may be traded on LHX.

3.7 These Rules are supplemental to the Investor Terms and Conditions entered into by each Member. Each Member's access to and use of LHX shall be governed by the Investor Terms and Conditions and these Rules.

3.8 If there is any inconsistency or disagreement this Rulebook and any other terms or notice, including any made electronically or through the London House Exchange Website, then this Rulebook shall prevail.

#### **4. HOURS OF OPERATION**

4.1 With the exception of any Non Trading Day or any scheduled or unscheduled down time for maintenance as may otherwise be determined by London House Exchange, LHX will be open for business 24 hours a day, 7 days a week (each day a "Trading Day"). LHX shall not be open for trading or settlement during each Non Trading Day.

4.2 London House Exchange may reduce trading hours generally, or in relation to any Eligible Security, during the course of any Trading Day without prior notice.

#### **5. MEMBER ELIGIBILITY CRITERIA**

5.1 In order to trade using LHX, you must apply to become admitted as a Member of LHX.

5.2 London House Exchange will only consider your applicant for admission as a Member of LHX if:

5.2.1 you are resident in a jurisdiction in which London House Exchange is permitted to carry on cross-border business, or resident in a jurisdiction which does not prohibit the

provision of cross-border services by London House Exchange; and

5.2.2 you are a person who:

(a) can demonstrate to the satisfaction of London House Exchange that you are of sufficient good repute;

(b) can demonstrate to the satisfaction of London House Exchange that you have a sufficient level of trading ability and competence;

(c) demonstrates to the satisfaction of London House Exchange that you have adequate organisational arrangements and sufficient financial resources to perform your intended role on LHX in order to guarantee the adequate settlement of transactions on LHX; and

(d) meets any other eligibility criteria in relation to participation on a multilateral trading facility under Applicable Law together, the "Member Eligibility Criteria".

## **6. ADMISSION**

6.1 In order to become a Member, as well as meeting the Member Eligibility Criteria, you must also satisfy the following conditions:

6.1.1 you must have passed any relevant know your client checks, sanctions and anti money laundering checks as required by Applicable Law;

6.1.2 you must have agreed and entered into the Investor Terms and Conditions;

6.1.3 you must have provided completed On-Boarding Documentation, along with any other additional information which London House Exchange may reasonably require in order to assess whether you meet the Member Eligibility Criteria or any of the other criteria in this Rule 6.1;

6.1.4 you must have acknowledged that you have read, understood and agree to be bound by this Rulebook, together, the "Admission Criteria".

6.2 Once London House Exchange has received all the relevant documentation and information from you, London House Exchange will decide whether or not to admit you as a Member of LHX.

6.3 London House Exchange's decision whether to admit you as a Member shall be done fairly and in a non-discriminatory manner. However London House Exchange will always have the discretion to reject your application if:

6.3.1 you do not meet the Admission Criteria; or

6.3.2 London House Exchange considers in its sole discretion that accepting you as a Member would be inconsistent with the obligation of London House Exchange to maintain a fair and orderly market or would lead to a breach of any Applicable Law.

6.4 You will be notified of London House Exchange's decision whether or not to admit you as a Member, by email or by way of a notification provided to you via the London House Exchange Website.

## **7. RESIGNING YOUR MEMBERSHIP**

7.1 You may resign from your status as a Member of LHX by giving notice to London House Exchange, at which point the Rules will cease to apply to you, with the exception of any terms which are stated to survive the termination of this Rulebook. London House Exchange will notify you when you cease to be a Member.

7.2 After you have ceased to be a Member you shall continue to be liable for your acts or omissions in connection with trading on LHX that occurred at any time before you ceased to be a Member of LHX.

## **8. SUSPENSION AND TERMINATION OF YOUR MEMBERSHIP**

8.1 London House Exchange may suspend or terminate your right to access and/or use LHX if:

8.1.1 you resign your status as Member or your status as Member ceases for any other reason;

8.1.2 London House Exchange becomes aware that you have made a misrepresentation to London House Exchange or another Member or have otherwise breached Applicable Law;

8.1.3 London House Exchange becomes aware that you are subject to an Insolvency Event;

8.1.4 you abuse any part of LHX or the London House Exchange Website, including by knowingly introducing viruses, trojans, worms, logic bombs or other material that is malicious or technologically harmful, or behaving in a way which may compromise or be intended to compromise any part of LHX or the London House Exchange Website;

8.1.5 you are involved in the circumstances envisaged in Rule 16.1.3 (Suspicious Trades) or Rule 16 (Disciplinary Sanctions); or

8.1.6 London House Exchange deems, in its sole discretion, that suspension or termination is necessary to ensure a fair and orderly market on LHX, to uphold the integrity of LHX or to comply with Applicable Law, or if so required by a Regulator.

8.2 London House Exchange may also suspend a Member's right to use LHX at the request of that Member.

8.3 If your right to use LHX has been suspended or terminated you shall remain subject to these Rules in respect of acts and omissions that took place during the period for which you were a Member and shall comply with any request made by London House Exchange for information in relation to the period of your participation at any time following the termination of your participation.

8.4 If your right to use LHX is suspended or terminated you shall remain subject to these Rules in respect of any outstanding obligations under these Rules until those obligations are satisfied.

## **9. COMMUNICATIONS**

9.1 London House Exchange and other Members are entitled to rely on any Instruction or communication that LHX or the London House Exchange Website records as having been given or made by you, or on your behalf by one of your Authorised Persons. You will be bound by any obligations arising from those communications, including any Transaction entered into.

9.2 Any Instruction will be transmitted at your own risk and in such manner as may be specified by London House Exchange. London House Exchange will not be liable for any loss suffered on account of any Instruction not being received by or not being acted upon by London House Exchange or LHX.

## **10. YOUR OBLIGATIONS**

10.1 You agree that you are required to, on an on-going basis:

10.1.1 meet the Member Eligibility Criteria;

10.1.2 meet the Admission Criteria;

10.1.3 ensure that you comply at all times with the requirements of these Rules, the Investor Terms and Conditions and any Notices;

10.1.4 ensure the Log In Credentials given to you and any Authorised Person relating to you by London House Exchange is kept confidential to such individual and not disclosed to any other person;

10.1.5 if applicable, ensure that you have established appropriate organisational procedures and have systems and controls in place to supervise any of your Authorised Persons;

10.1.6 co-operate with London House Exchange and any Regulator in relation to any query or investigation regarding LHX;

10.1.7 be responsible for any Information that you submit to London House Exchange or LHX;

10.1.8 ensure that you trade in an orderly manner, to prevent erroneous Transactions and to ensure on-going compliance with, and prevent breaches of, Applicable Law (including but not limited to laws prohibiting Market Abuse) and these Rules;

10.1.9 have the legal and regulatory capacity to transact in Eligible Securities which you trade on LHX; and

10.1.10 procure that any Authorised Person shall operate in compliance with these Rules.

10.2 You must notify London House Exchange promptly upon becoming aware of any of the following:

10.2.1 if the information you have provided to London House Exchange in the On-Boarding Documentation ceases to be relevant, accurate or correct;

10.2.2 any breach of these Rules or any event, act or omission which may affect your ability to comply with these Rules or which may impair a fair and orderly market on LHX;

10.2.3 any litigation or enforcement action which could impair your ability to comply with these Rules (where such disclosure is permitted by law or any relevant regulatory authority);

10.2.4 your being subject to any Insolvency Event;

10.2.5 any of your Log In Credentials being lost, stolen or compromised;

10.2.6 if applicable, any application or notification by you to a relevant regulatory authority in respect of a direct or indirect change in ownership or control; or

10.2.7 any other material event or matter of which London House Exchange might reasonably expect to be made aware.

10.3 You must notify us under Rule 10.2 by email addressed to [support@londonhouseexchange.com](mailto:support@londonhouseexchange.com).

10.4 If you appoint any Authorised Person you shall be fully liable for any acts and omissions carried out by them. London House Exchange shall not be liable for any losses that you may suffer as a result of the acts or omissions of any of any Authorised Person.

## **11. TRADING RULES**

No direct electronic access (DEA)

11.1 You must not permit or allow any other person to submit their own orders directly to LHX using your Log In Credentials or otherwise by way of direct electronic access, as such term is defined in Article 4(1)(41) of Directive 2014/65/EU ("MiFID II"). In summary, direct electronic access refers to an arrangement where a member, participant or client of LHX permits a person to use its trading code so the person can electronically transmit orders relating to financial instruments directly to LHX.

No algorithmic trading

11.2 You must not use or engage in algorithmic trading, as such term is defined in Article 4(1)(39) of MiFID II. In summary, algorithmic trading means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission.

Market abuse

11.3 You are responsible for ensuring that your activities on LHX are lawful. In particular, your activities may be subject to the EU Market Abuse Regulation (Regulation 596/2014) ("MAR") and the UK Criminal Justice Act 1993 ("CJA"), which prohibit and/or criminalise certain activities. Market abuse contrary to MAR may result in civil penalties including fines and insider dealing contrary to the CJA may result in a criminal conviction and a fine and/or imprisonment.

11.4 You are prohibited from carrying on anything which amounts to market abuse contrary to MAR or criminal behaviour contrary to the CJA on LHX.

11.5 It is your own responsibility to ensure that your actions do not amount to market abuse contrary to MAR or criminal behaviour contrary to the CJA, however Appendix 2 of these Rules contains a summary of some activities which are prohibited.

## **12. LONDON HOUSE EXCHANGE'S OBLIGATIONS**

12.1 London House Exchange shall:

12.1.1 make LHX available to you, subject to the provisions of the Investor Terms and Conditions, these Rules, and Applicable Law;

12.1.2 operate LHX in accordance with these Rules and Applicable Law.

12.2 London House Exchange shall be responsible for carrying on transaction reporting on trades undertaken on LHX, as required by Applicable Law.

## **13. INSTRUMENT ELIGIBILITY CRITERIA**

13.1 The decision whether or not to admit a security to trading on LHX is at the sole discretion of London House Exchange.

13.2 LHX facilitates trading only in the specific securities admitted to trading on LHX.

13.3 The type and nature of financial instruments capable of admission to trading on LHX is limited to the following:

13.3.1 beneficial interests in the shares issued by certain UK private limited companies; and

13.3.2 any other category of instrument determined and notified to you by London House Exchange from time to time, (together, the "Eligible Securities").

13.4 All Eligible Securities that are admitted to trading on LHX shall be searchable on the LHX search facility available via the London House Exchange Website.

13.5 London House Exchange may suspend a particular Eligible Security from trading on LHX if London House Exchange deems this necessary in order to maintain a fair and orderly market on LHX, to comply with Applicable Law or in response to a request from a Regulator, or for any other reason at its discretion.

## **14. TELEPHONE RECORDING AND ELECTRONIC CORRESPONDENCE**

14.1 London House Exchange may record and retain certain telephone conversations and electronic correspondence between London House Exchange and Members that takes place over LHX and is required to do so under Applicable Law. You are deemed to consent to such recordings and retention. Such recordings will be and shall remain the sole property of London House Exchange.

## **15. POST TRADE CONFIRMATION, CLEARING AND SETTLEMENT**

Trade confirmation

15.1 Following each Transaction you undertake on LHX, LHX will provide a trade confirmation to you containing the details of that Transaction. These trade confirmations will be sent to you by email to the email address you have provided to us.

Settlement

15.2 Transactions take place on a bilateral basis between the relevant two Members, creating rights and obligations between those Members. London House Exchange shall not be a party to, or be responsible or liable to you or another Member under or in connection with such Transactions.

15.3 Once a trade has taken place on LHX, London House Exchange will notify the Nominee. The Nominee will then update the register of beneficial owners to reflect that the buyer now holds the beneficial interest in the relevant shares in the UK private limited company. However London House Exchange is not responsible or liable for the settlement of the Transactions executed by you on LHX.

15.4 You shall notify London House Exchange promptly upon becoming aware of a failure by you or any other Member to settle any Transaction in accordance with Applicable Law and/or good settlement practice, as the case may be.

## **16. DISCIPLINARY SANCTIONS**

16.1 London House Exchange may take disciplinary action against you in circumstances including but not limited to:

16.1.1 your breach of the Rulebook and/or the Investor Terms and Conditions;

16.1.2 where you engage in conduct indicative of disorderly trading or any other conduct which may involve Market Abuse; or

16.1.3 where you are party to a Suspicious Trade.

16.2 London House Exchange may take any action that it deems necessary or appropriate in the circumstances and in order to preserve a fair and orderly market and the integrity of LHX, including but not limited to:

16.2.1 cancellation of all and any outstanding Instructions to the extent possible through LHX;

16.2.2 if so required in accordance with Applicable Law, reporting any circumstances concerning your conduct on LHX to the Regulator;

16.2.3 suspending or terminating your right to use or access LHX; or

16.2.4 issuing you with a written warning or private censure.

16.3 You may appeal a decision made by London House Exchange under this Rule 16 giving your reasons for appealing and any information relevant to the appeal. Any appeal must be made in writing (providing sufficient particulars of the basis for the appeal) and submitted to London House Exchange within a reasonable time of receiving notice from London House Exchange of its decision under this Rule 16. The Compliance Officer of London House Exchange (or his delegate) shall consider the decision of London House Exchange which is the subject of the appeal and shall notify you of its decision within 15 business days of reaching a decision. The decision of the Compliance Officer (or his delegate) shall be final.

16.4 London House Exchange shall not be liable for any losses that you suffer as a result of a decision to use, or not to impose, any disciplinary action.

## **17. COMPLAINTS**

17.1 If you have a complaint about London House Exchange, or another Member's conduct in using LHX, your complaint should be made in writing (including by electronic mail) and addressed to:

London House Exchange

55 Baker Street,  
London,  
England,  
W1U 7EU

Email: [complaints@londonhouseexchange.com](mailto:complaints@londonhouseexchange.com)

17.2 If your complaint relates to London House Exchange and we fail to resolve your complaint to your satisfaction or within eight weeks of receiving your complaint, you may have the right to make a complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR, by telephone on 0300 123 9 123 or 0800 023 4567, by email to [complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk) or by visiting the Financial Ombudsman Service website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Further information relating to making a complaint to the FOS is available from us on request.

17.3 In certain circumstances, the FSCS can pay compensation if London House Exchange or any third party bank cannot meet an obligation owed to an Eligible Claimant. The current compensation limit is eighty five thousand pounds Sterling (£85,000) in respect of funds held on your behalf via the platform. . Further information about the FSCS (including the amounts covered and eligibility to claim) is available at [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

## **18. VARIATION**

18.1 London House Exchange may in its absolute discretion, and at any time, supplement, amend, or replace these Rules partially or wholly.

18.2 You shall be notified of any such change to the Rules by notice (a "Notice") which will be issued to all Members giving reasonable prior notice for any material changes. London House Exchange may make any non-material changes without prior notice.

18.3 Any such Notices shall supplement and form part of these Rules effective from the date specified in the Notice. Such notification may be made by letter, e-mail or notice on LHX or the London House Exchange Website describing the relevant changes or by otherwise sending to Member an electronic copy of the amended Rulebook. Your continued participation on LHX (in accordance with Rule 6) following the expiry of the notice period stated in the relevant Notice constitutes your deemed acceptance of the amendments and acknowledgement of the revised Rulebook. In the event there is no express notice period in a Notice, the effective date of any proposed amendment shall be the date 30 days from the date of the Notice.

## **19. GOVERNING LAW AND OTHER PROVISIONS**

19.1 Without prejudice to any provisions of other documents which are expressed to survive termination of a Member's participation on LHX, Rules 17 (Complaints) and 16 (Disciplinary Sanctions) will survive termination of your participation on LHX.

19.2 This Rulebook and all non-contractual or other obligations arising out of or in connection with this Rulebook shall be governed and interpreted in accordance with the laws of England. Any dispute arising out of or in connection with this Rulebook shall be subject to the exclusive jurisdiction of the English courts.

## APPENDIX 1

### Clear Error Transaction Policy

#### 1. DEFINITIONS

1.1 Capitalised terms in this Appendix 1 shall have the same meaning as given in the Rulebook unless expressly stated otherwise.

1.2 For the purposes of this Appendix 1 the following definitions apply:

"Clear Error Trade" is a Transaction which has been executed (i) at a price that is substantially different to, or inconsistent with, the current market price for that security at the time of execution, and/or (ii) on terms (e.g. price or size) that would, in London House Exchange's reasonable view, be entered or calculated in error in the circumstances or would otherwise be detrimental to market integrity on LHX;

"Clear Error Trade Powers" has the meaning given in paragraph 2(a) of this Appendix 1;

"Member on Notice" has the meaning given in paragraph 2(l)(ii) of this Appendix 1; and

"System Disruption or Malfunction" means (i) any disruption, malfunction or technical failure of LHX or the London House Exchange Website, including any electronic communications, which results in a Transaction being incorrectly processed by LHX; or (ii) any incorrect, stale or otherwise erroneous reference data incorporated into or used by LHX.

#### 2. CLEAR ERROR TRANSACTION POLICY

2.1 In order to promote the integrity of LHX, London House Exchange will use the Clear Error Transaction Policy to address trade errors and disputes for all Transactions.

2.2 Subject to this paragraph, London House Exchange may conduct a review of a Transaction to determine whether such transaction is a Clear Error Trade either:

2.2.1 at the request of a Member to a Transaction within 1 day of the execution of a Transaction;

2.2.2 at its own discretion; and / or

2.2.3 otherwise in accordance with Applicable Law.

2.3 London House Exchange may determine in its sole discretion that the circumstances of a Transaction warrant a trade review regardless of whether or not a review request has been submitted.

2.4 London House Exchange will consider each trade review request on a case-by-case basis. In determining whether a Transaction is a Clear Error Trade, London House Exchange may utilise such information and consult with any relevant parties or Members that it deems appropriate, including, without limitation:

2.4.1 the review request (if applicable);

2.4.2 Transactions on LHX which occurred prior to and following the alleged erroneous trade;

2.4.3 indicative pricing either available on LHX or sourced from third parties;

2.4.4 London House Exchange's in-house market knowledge and expertise;

2.4.5 any recorded communication of trade terms;

2.4.6 any electronic or other communication in connection with the trade may also be a significant consideration in determining whether such trade is considered Clear Error Trade or the result of a System Disruption or Malfunction; and/or

2.4.7 any other information London House Exchange deems to be relevant in the circumstances.

2.5 London House Exchange will use its reasonable efforts to resolve any issue arising in connection with a trade review and will promptly notify you and any other relevant Members of any final

determination that it make by email to the email address you have provided to us.

2.6 In the event London House Exchange determines that the Transaction is a Clear Error Trade, or is the result of a System Disruption or Malfunction, London House Exchange may: (i) break the Transaction; (ii) modify the terms of the Transaction (subject to the consent of the parties to the applicable Transaction); or (iii) cancel the Transaction ("Clear Error Trade Powers").

2.7 If London House Exchange determines a trade should be cancelled in accordance with this Appendix 1, the relevant Members and London House Exchange shall take such steps as may be necessary to effect such cancellation, including informing the Nominee.

2.8 London House Exchange shall not be liable for any losses that you may suffer as a result of a decision to review, or not to review, a Transaction; or to use, or not to use, its Clear Error Trade Powers. London House Exchange reserves the right, in its sole discretion, not to declare a trade to be Clear Error Trade in markets too volatile or too illiquid to discern the true market level of the Eligible Security at the time.

2.9 In all circumstances the Transaction shall remain an obligation of the relevant Members who are a party to the Transaction until London House Exchange notifies the Members by telephone or email that the Transaction has been adjusted or cancelled pursuant to this Appendix 1.

## 2.10 Review Process

2.10.1 To request a review of a Transaction, a Member to the applicable Transaction must notify London House Exchange by telephone at +44 (0) 20 3696 5600 or via email to support@londonhouseexchange.com within 1 day of execution of the Transaction. Review requests

must include the following information:

- (a) execution(s);
- (b) name of the relevant instrument;
- (c) spread/Price(s);
- (d) side (bought or sold);
- (e) factual basis for believing that the execution is either clearly erroneous or the result of a System Disruption or Malfunction, or other.

2.10.2 Upon receipt of a request from a Member to review a Transaction, London House Exchange will notify, by telephone or email, the other Member that acted as counterparty to the

Transaction or the counterparty to the Transaction, as applicable (the "Member on Notice") of the details of such request (the "Cancellation or Modification Notice").

(a) The party requesting a review of a Transaction may withdraw its request by telephone at +44 (0)20 3696 5600 or via email to support@londonhouseexchange.com at any time prior to the time London House Exchange notifies the parties to the Transaction of its final determination.

(b) In the event that a trade review is initiated later than 1 day after the trade, London House Exchange may nonetheless, in its discretion, attempt to get a mutually agreed upon price adjustment or trade cancellation from the counterparties to each trade.

### 3. VARIATION

3.1 London House Exchange reserves the right to modify this Appendix 1 from time to time at its sole discretion in accordance with Rule 18 of the Rulebook. Your continued use of LHX shall constitute your acceptance of such modifications, and of London House Exchange's Clear Error Trade Powers.

### APPENDIX 2

#### Market Abuse Guidance

##### 1. INTRODUCTION

1.1 All Members of LHX are required to ensure that their actions do not amount to market abuse under MAR.

1.2 This Appendix 2 sets out some guidance about the types of activities relating to the LHX which are prohibited under MAR, however in no circumstances should this Appendix 2 be taken to be advice to you or as giving confirmation that you may or may not be carrying on any prohibited activity on the LHX.

1.3 If you are in any doubt as to your position you should seek your own legal advice.

##### 2. OFFENCE OF INSIDER DEALING, RECOMMENDING ANOTHER TO INSIDER DEAL AND THE UNLAWFUL DISCLOSURE OF INSIDE INFORMATION

2.1 You must not, in relation to Eligible Securities:

2.1.1 engage or attempt to engage in insider dealing;

2.1.2 recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or

2.1.3 unlawfully disclose Inside Information.

2.1.4 "Inside Information", in summary, means

(a) information of a precise nature, which has not been made public;

(b) relating, directly or indirectly, to one or more issuers or to one or more Eligible Securities; and

(c) which, if it were made public, would be likely to have a significant effect on the prices of those Eligible Securities or on the price of related derivative Eligible Securities.

#### Inside Information and insider dealing

2.2 You must not use Inside Information to:

2.2.1 acquire or dispose of (including an attempt to acquire or dispose of) Eligible Securities to which that information relates; or

2.2.2 cancel or amend (including an attempt to cancel or amend) an order concerning a Eligible Securities to which the information relates where the order was placed before you possessed the Inside Information.

2.3 Where you carry out one of the activities above when in possession of Inside Information, it will be presumed by law that you used that Inside Information to do so (i.e. it will be presumed that insider dealing took place).

## Recommending another to insider deal

2.4 You must not, on the basis of Inside Information:

2.4.1 recommend that another person acquires or disposes of Eligible Securities to which that information relates, or induce that person to make such an acquisition or disposal; or

2.4.2 recommend that another person cancels or amends an order concerning an Eligible Security to which that information relates, or induce that person to make such a cancellation or amendment.

## Unlawful disclosure of Inside Information

2.5 You must not, except in the normal exercise of your employment, profession or duties disclose Inside Information to any other person.

2.6 The onward disclosure of any recommendation/inducement received by a person (in breach of insider dealing rules) will be considered an unlawful disclosure of Inside Information where the person onward disclosing it knows or ought to know that it was based on Inside Information.

## Legitimate Behaviour

2.7 There are certain circumstances where the mere possession of Inside Information will not be deemed to indicate that you used such information to engage in insider dealing, but these circumstances are limited. The following are examples of legitimate behaviour, that will not be seen as insider dealing:

2.7.1 where a person in possession of Inside Information is authorised to execute the order on behalf of third parties and the acquisition/disposal of Eligible Securities to which that order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person's employment, profession or duties; or

2.7.2 where a person in possession of Inside Information conducts a transaction to acquire or dispose of Eligible Securities and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and always provided:

(a) that obligation results from an order placed, or an agreement concluded, before the person concerned possessed Inside Information; or

(b) that transaction is carried out to satisfy a legal or regulatory obligation that arose before the person concerned possessed Inside Information.

## 3. OFFENCE OF MARKET MANIPULATION

3.1 You must not engage or attempt to engage in the market manipulation of Eligible Securities.

What manipulative activities are prohibited?

3.2 The following are examples of prohibited activities.

3.2.1 Entering into a transaction, placing an order to trade or any other behaviour which:

(a) gives, or is likely to give, false or misleading signals as to the supply of,

demand for, or price of, the instrument in question; or

(b) secures, or is likely to secure, the price of one or several instruments at an abnormal or artificial level, unless you can establish that such actions have been carried out for legitimate reasons, and conform with an accepted market practice.

3.2.2 Entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or more instruments in question, which employs a fictitious device or any other form of deception or contrivance.

3.2.3 Disseminating information which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of the instrument in question or is likely to secure its price at an abnormal or artificial level, including the dissemination of rumours, where you knew, or ought to have known, that the information was false or misleading.

3.2.4 Engaging in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any relevant investment such as Shares trading on the Exchange.

3.2.5 Originating or circulating rumours of a sensational nature which have not already been widely circulated in the market, where there is no legitimate business reason for doing so.

3.2.6 Making a false or misleading statement or concealing facts with the intention of inducing, or being reckless as to whether making the statement or concealing the facts may induce another person (whether or not the person to whom the statement was made) to:

(a) enter into or offer to enter into, or to refrain from entering or offering to enter into, a relevant agreement relating to Eligible Securities; or

(b) to exercise, or refrain from exercising, any rights conferred by a relevant investment in Eligible Securities.

Accepted market practices

3.3 The prohibition of market manipulation will not apply where the acts/omissions have been carried out for legitimate reasons and in conformity with an accepted market practice established by the competent authority.