

Private Client Broker (PCB) Order Book Trading Scheme - Qualification

This document is a statement of the policies related to the PCB Order Book Trading Scheme, which covers electronically executed orders placed by Private Investors (as defined below) which are submitted to, and electronically execute on, one of the following trading services: SETS, SETSqx, Securitised Derivatives and ORB (“the Scheme”). Orders that qualify for the Scheme can be placed on these trading services either directly by Private Investors trading using Direct Market Access (in accordance with Rule 2103 of the Rules of the London Stock Exchange) or by a Member Firm¹ routing a Private Investor Order to the relevant trading service.

The Scheme is set out in full in the current Trading Services Price List. If you have any queries regarding the policies please contact your Account Manager. This document is also available on our website at www.londonstockexchange.com/prices.

For the purposes of this document, the following terms have the following meanings:

- **“Private Investor”** means a customer of a Member Firm who:
 1. is in the UK and does not carry out a regulated activity within the meaning of the Financial Services and Markets Act 2000; or
 2. is not in the UK (including the Republic of Ireland) and is not required to be regulated or supervised by a body concerned with regulation or supervision of investment or financial services; and
 3. is not currently registered or qualified as a professional securities trader or investment adviser with any trading venue, regulatory authority, professional association or recognised professional body; and
 4. does not currently act in any capacity as an investment adviser, whether or not they have at some time been qualified to do so; and
 5. is trading solely in relation to the management of his/her personal funds and not as a trader to the public or for the investment of corporate funds.

Where individuals are unable to comply with any of points 1-4 above, but would like to trade solely in relation to the management of his/her personal funds, the Member Firm should consult the Exchange to confirm whether Private Investor status may be applicable. The Member Firm will be asked to supply satisfactory evidence that the individual concerned is indeed acting in a personal capacity in respect of the management of their personal funds.

¹ Although targeted at Private Client Brokers, this Scheme is open to all qualifying Member Firms

PCB Order book Trading Scheme Application

If written confirmation of Private investor status is not subsequently provided by the Exchange to the Member Firm, such status will not apply to that individual.

- **“Private Investor Order”** means an order submitted to SETS, SETSqx, Securitised Derivatives or ORB, which meets all of the following conditions:
 1. it has originated solely from a Private Investor; and
 2. the Private Investor has specified to the Member Firm that he/she wishes to buy or sell a specified quantity of a specified security;
 3. it has not been interacted with in any way by any Member Firm (for example, a Member Firm must not amalgamate orders from more than one Private Investor or execute part of an order separately), except in order to fulfil the Member Firm’s best execution obligations, such as the use of smart order routers or similar technology; and
 4. it does not result in a contract for difference or other products or interests derived from securities.

Any Member Firm wishing to benefit from the Scheme must provide the Exchange with the details of one Trader Group (as defined in the Rules of the London Stock Exchange) which will be dedicated to this Scheme. The details of the Trader Group should be completed in the attached declaration, scanned and provided by email to clients@londonstockexchange.com.

The Member Firm must allow two complete working days following the date that its declaration is submitted before it will be able to participate in the Scheme. A Trader Group will be included for any future months of the Scheme unless the Member Firm requests it to be removed or amended via the email address above.

In providing details of the Trader Group and until such time as the Member Firm requests amendment or removal of the Trader Group, the Member Firm confirms that any order sent through the Trader Group is a Private Investor Order.

It is expected that the Member Firm will promote the Scheme when communicating with its Private Investor customers.

The Exchange reserves the right to carry out verification of the Member Firm's activity in the Trader Group to confirm its 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, inspect and make copies of the Member Firm's (and if relevant, its customers') accounts, records and other documents. Member Firms should notify their Private Investor customers that the Exchange may contact them directly to confirm their status as a Private Investor.

If the Exchange concludes in its absolute discretion, either through a verification visit or otherwise, that any trades should not have qualified for the Scheme or any part of the Scheme, the Exchange reserves the right to withdraw the benefit of the Scheme for all executions by the Member Firm and to add to the Member Firm's future monthly invoice such amount as reflects the trading fees

PCB Order book Trading Scheme Application

which would have been payable had the Scheme not been applied, 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 withdraw the Scheme at any time.

Declaration to London Stock Exchange – PCB Order Book Trading Scheme

Nominated Trader Group	
------------------------	--

It is hereby confirmed on behalf of [Member Firm] that any order sent through the above Trader Group is a Private Investor Order as defined in the “Private Client Broker (PCB) Order Book Trading Scheme – Qualification” document.

For and on behalf of

[Member Firm]