



Chi-X Europe Guidance Note 1

ERRONEOUS TRADES

Definition of “Erroneous Trade” – the execution of an order due to an error in terms of price, quantity, side or symbol for that security at the time of execution.

Chi-X Europe Ltd (Chi-X) shall initiate a review of an Erroneous Trade if it determines in its sole discretion that circumstances warrant such a review, regardless of whether or not a request to do so has been received.

This includes any trades that have been executed directly on the MTF, and also negotiated trades that are brought onto the MTF.

Following review, Chi-X will exercise its sole discretion (acting reasonably) to cancel any Erroneous Trade. The decision to cancel such Erroneous Trade will be made in a timely fashion. Participants will be informed of trade cancellations promptly.

Criteria used by Chi-X in determining whether a transaction is an Erroneous Trade include, but are not limited to:-

- Discussions with Relevant Parties.
- Analysis of market data.
- Analysis of market events.
- A percentage price movement away from the price of the last trade of this security on a Regulated Market or Multilateral Trading Facility of 5% or above.
- Any system errors and/or failures that impact market integrity
- Any negotiated transactions which do not comply with the pricing criteria defined in Guidance Note 6
- Any Chi-Vision trades which do not comply with the ELP execution methodology as noted on the Chi-Vision order form and as amended from time to time

Chi-X will promptly confirm its decision to the Trade Busts Contacts for both parties to the Erroneous Trade by telephone with an electronic mail confirmation.

Chi-X will facilitate the cancellation of any Erroneous Trades.



Chi-X Europe Guidance Note 2

ERROR TRADES

Definition – the execution of an order, entered in error (e.g. in terms of price, quantity, side or symbol) at the prevailing market price for that security at the time of the execution.

A Participant may submit a request to cancel a trade before 17:00 trade day, by telephone to Chi-X Compliance +44 (0) 207 131 3399 with a confirmation electronic mail of the request.

On receipt of the request, Chi-X Compliance will contact the other party to the trade and communicate the request that the trade be deemed an error and therefore be cancelled. The other party to the trade are under no obligation to agree to the trade cancellation request.

If the parties do not agree to the trade cancellation, the initiator of the request will be informed and the trades will stand.

If the other party agrees to the cancellation, Chi-X Compliance will facilitate the cancellation of the trade.

Note 1: Parties to the trade will remain anonymous unless they waive their right to anonymity.

Note 2: If the request has a percentage price movement away from the price of the last trade of this stock on a Regulated Market or Multilateral Trading Facility of 5% or above, Chi-X Europe Ltd, at its discretion, can deem the trade to be erroneous. In this scenario the erroneous trade procedures are followed (see Guidance note 1). Chi-X will not follow the erroneous trade procedures in this scenario if a period of 30 minutes or more has elapsed since the time of execution.

Note 3: A Participant may request to cancel a trade only; no amendment of a trade is permitted.



Chi-X Europe Guidance Note 3

SUSPENSION OF TRADING

Regulatory Suspensions

Chi-X will suspend trading in any security while it is subject to a regulatory suspension. This will impact the order book as follows:

1. Any existing orders will remain in the order book;
2. Any new orders submitted will be rejected;
3. Participants will be able to cancel their orders. No other amendments are permitted.

Non-Regulatory Suspensions

Chi-X will not normally suspend trading in any security which is subject to any non-regulatory suspensions. However, certain order types, such as orders pegged to the market of listing, will not be available.



Chi-X Europe Guidance Note 4

SPONSORED ACCESS – INTRA DAY PARAMETERS CHANGES

Daily Limits File (DLF) and Symbol Override file (SOF)

Chi-X supports intra-day changes to Daily Limits File (DLF), the Symbol Override file (SOF) and the Restricted List File (RLF). The Sponsoring Participant is able to facilitate changes to these files by sending an FTP file. The Sponsoring Participant should inform Chi-X Operations with a phone call on +44 20 7131 3300 or an email to operations@chi-x.com. It is the responsibility of the Sponsoring Participant to ensure the accuracy of the file parameters.

Chi-X aims to implement any changes as soon as possible, but this can only be done on a best endeavours basis. When a change has been implemented Chi-X Operations will confirm to the Sponsoring Participant by email. The Sponsoring Participant should not assume that a change has been implemented until after this email has been received.

Chi-X will only support changes received by FTP as the accuracy of the levels and the accuracy of the file parameters are the responsibility of the Sponsoring Participant. Chi-X will not action changes based on a phone call.

Daily FX Rate File

Chi-X does not support intra-day changes to this file under any circumstances.



Chi-X Europe Guidance Note 5

CHI-VISION SERVICE CLIENT OPERATIONAL PROCEDURES

1. Confirmation Errors

It is the responsibility of the Chi-Vision client to ensure that confirmations they receive are correct in terms of stock, side, price and quantity. In the event that there is a discrepancy between the confirmation received and the order sent, it is the obligation of the Chi-Vision client to inform Chi-X Compliance within 30 minutes of the trade time. The Chi-Vision client is responsible for aggregating confirmations that relate to multiple fills of one order to facilitate this check.

An authorised trade contact at the Chi-Vision client should notify Chi-X Compliance by phone on +44 (0) 20 7131 3399 and this should be confirmed with an email to compliance@chi-x.com.

In the event that Chi-X Compliance is informed of a discrepancy between an order and the resulting trade within 30 minutes of the trade time, Chi-X will investigate. If the claim is valid Chi-X may bust the trade in accordance with the Chi-X Guidance Note 1: Erroneous Trades. Chi-X Compliance will inform both parties to the trade that it is to be bust by telephone and also by email.

If Chi-X Compliance is not informed of an inconsistency between a trade confirmation message and the resulting trade within 30 minutes of the trade time then the trade will be deemed as valid and Chi-X will follow the Chi-X Guidance Note 2: Error Trades (see above).

2. Order Amendments or Cancellations

Orders which have been sent to an ELP and where a response has not been received from the ELP are in a "held" status and cannot be cancelled or amended by the Client. Note: ELPs must respond to orders sent to them within a pre-determined time, otherwise Chi-X will deem such orders to be cancelled.

If a cancellation or amendment is received for an order which is in "held" status, and trade instructions are received from the ELP for that order within the pre-determined time, then that order will be brought onto the Chi-X MTF where it will become a trade.

3. Securities Available for Trading

The securities which are available for trading through Chi-Vision will match those that can be traded on the Chi-X MTF. However, Chi-X may review this from time to time.

4. Suspension of access to Chi-Vision

Chi-X may suspend a Chi-Vision client's access to Chi-Vision if it believes that the Chi-Vision client is not complying with the terms of the Chi-Vision Client Agreement or the Chi-X rules.

5. Trading Calendar and Trading Hours

Chi-Vision will follow the trading calendar and trading hours that are followed by the Chi-X MTF.

6. Trade Timing

Trades arranged using the Chi-Vision software are deemed to be transacted at the time that they are received by the Chi-X MTF.

7. Trading Cut-Off

All trade instructions must be received by the time that Chi-X MTF closes for that market segment. Any trade instructions that are received by the Chi-X MTF after this time will be deemed invalid and the resulting trade will be invalidated.

8. Tick Sizes

All orders transacted through Chi-Vision must comply with the Chi-X MTF tick sizes, as specified in the Chi-X Exchange Guide. ELPs are permitted to conservatively round tick sizes in order for all trade instructions to be priced at a suitable tick value. Conservatively round means that buy prices can be rounded down and sell prices can be rounded up.

9. Cancel on Disconnect

The Cancel on Disconnect profile applied to each Chi-Vision client will conform with the Cancel on Disconnect profile that is applied to that client when connecting to the Chi-X MTF.

10. Trading Contacts

The contact names listed in the Trading Profile Authorised Signatory List and the Trade Bust Contacts List that are maintained as part of their trading membership of the MTF Participant will be recognised as valid contact names as a Chi-Vision client.

11. Suspended Securities

Trades in Suspended securities will be rejected by the MTF.