

Participant Notice

Ref: PN14/06

Dated: 19th May 2014

From: Participant Services

Subject: Confirmation of Disciplinary and Sanctions policy

This Notice confirms the policy that BATS Chi-X Europe (“BATS”) will apply in the event that a Participant or Issuer is found to be in breach of the Rules. This policy was consulted on in Participant Notice 14/03. Following the consultation some minor changes have been made to the policy clarifying that a public warning will not be issued for a low severity breach of the Rules and that any compensation levied will be for direct losses incurred by other market participants. These changes are marked up in the attached policy. A clean version of the policy can be found on the BATS website at the following link: <http://www.batstrading.co.uk/regulation/library/>. This notice also confirms the application of a fixed penalty for breaches of the Negotiated Transaction Rule as detailed below.

Fixed Penalty – Breaches of the Negotiated Transaction rule

BATS monitors Participants’ compliance with its Negotiated Transaction rule, and in particular the price requirement for shares that are admitted to trading on an EEA Regulated Market under Rule 11.1.4. BATS will levy a fine of £500 when 5% or more of a Participant’s reports breach the requirement in any calendar month. A higher fine of £1000 will be levied for a repeated breach in the same calendar year. Persistent breaches indicating systemic failures by a participant will fall under the full disciplinary policy.

For any queries, please contact Participant Services: ParticipantServicesEurope@bats.com or +44 (0) 20 7012 8927.