



## NX Rulebook

Version 2.0

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# 1. Definitions and Interpretation

1.1 In these Rules the following terms shall have the following meanings:

<b>AIM</b>	Means the market provided by the London Stock Exchange for transactions in AIM Securities.
<b>AIM Secondary Market Registered Organisation</b>	Means a trading venue that does not have a Primary Market relationship with AIM companies and meets the criteria set out by the Rules of the London Stock Exchange under section 3000.2 and associated guidance.
<b>AIM Security</b>	Means a security admitted to trading on the London Stock Exchange Alternative Investment Market.
<b>Applicant</b>	Means a person applying to become a Member in accordance with Section 3 of the Rules.
<b>Brokerage Agreements</b>	Means as defined in Section 3.6.2 of the Rules.
<b>Business Day</b>	Means a day on which NX is open for trading as specified in the User Guide.
<b>Dark or Dark Order Book</b>	Means non-displayed order book.
<b>EEA</b>	Means the European Economic Area.
<b>Eligibility Criteria</b>	Means the criteria for eligibility for both membership and participation as set out in Sections 3.2 and 3.6 of the Rules.
<b>FSA</b>	Means the Financial Services Authority of the United Kingdom.
<b>FSMA</b>	Means the Financial Services and Markets Act 2000 of the United Kingdom, as amended from time to time.
<b>Losses</b>	Means all direct and indirect losses, liabilities, costs, claims and expenses (including legal fees), including, without limitation, loss of profit, loss of revenue, loss of business, loss of goodwill, or consequential loss or damage, whether the party causing the loss knew or ought reasonably to have known of the possibility of such loss or damage occurring.
<b>Market Abuse Directive</b>	Means the Directive of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse) (No 2003/6/EC).
<b>Member</b>	Means a Member on NX admitted in accordance with Section 3 of the Rules.
<b>MiFID</b>	Means the Directive of the European Parliament and of the Council on markets in financial instruments (EP & Council Directive 2004/39/EC).
<b>MTF</b>	Means a Multilateral Trading Facility as defined in Article 4(1)(15) of MiFID.
<b>Nomura</b>	Means Nomura International plc (Company No. 01550505).
<b>Notice</b>	Means any notice published or issued by the Operator to Members and/or Participants from time to time.
<b>NX</b>	Means the MTF operated by Nomura in accordance with the Rules and authorised and regulated by the FSA.

<b>NX Application Package</b>	Means the package of documents to be completed by Applicants as part of the Member application procedure in accordance with Section 3.1 and Annex A of the Rules.
<b>NX Bid Match</b>	Means a continuous crossing facility referencing the best bid of the Primary Market
<b>NX Member Connectivity Agreement</b>	Means the agreement executed by Nomura and the Member governing the Member's access to and use of NX.
<b>NX Tariff Structure</b>	Means the tariff structure for Members available on the Website as may be updated from time to time by Notice.
<b>NX Mid Match</b>	Means as defined in Section 2.6.2 of the Rules.
<b>NX Offer Match</b>	Means a continuous crossing facility referencing the best offer of the Primary Market
<b>NX Operating Committee</b>	Means the committee constituted by the Operator to deal with disciplinary related matters.
<b>NX Order Books</b>	Means NX Mid Match, NX Bid Match, NX Offer Match and NX Strategy Match facilities operated by the Operator for the submission and execution of Orders.
<b>NXSM Accruals</b>	Means accrued executions on NX Strategy Match.
<b>NX Strategy Match</b>	Means as defined in Section 2.6.1 of the Rules.
<b>Operator</b>	Means Nomura in its capacity as the operator of NX.
<b>Orders</b>	Means any Order submitted to the NX Order Books.
<b>OTC</b>	Means Over the Counter.
<b>Participant</b>	Means a non-Member Participant on NX admitted in accordance with Section 3 of the Rules.
<b>Participation Checklist</b>	Means the requirements which must be satisfied by prospective Participants as set out in Section 3.6 and Annex B of the Rules.
<b>Person</b>	Means any individual, corporation, partnership, association, trust or entity as the context admits or requires.
<b>Primary Market</b>	Means the market on which the Operator determines a Security has its primary listing.
<b>PTM Levy</b>	Means the levy determined by and payable to the Panel of Takeovers and Mergers.
<b>Regulator</b>	Means the authority designated by each member state of the EEA in accordance with Article 48 of MiFID.
<b>Rules</b>	Means these rules and any Notice both as amended from time to time.
<b>Security</b>	Means a security eligible for trading on NX in accordance with Section 6 of the Rules.
<b>User Guide</b>	Means the guide (and any other technical reference material) made available to Members and Participants on the Website to provide information on the functioning of NX.
<b>VWAP</b>	Means Volume Weighted Average Price.
<b>Website</b>	Means the NX website at <a href="http://www.nomura.com/nx">www.nomura.com/nx</a> or as otherwise notified.

- 1.2 In these Rules, words in the singular include the plural and in the plural include the singular. Headings are for ease of reference only and do not form part of the Rules. References to statutory provisions shall include any amendment, modification or re-enactment or re-making thereof and any provisions made after the date hereof. To the extent there is a conflict between these Rules and the User Guide, the NX Member Connectivity Agreement or the Brokerage Agreements, the Rules shall prevail.

## **2. Introduction**

- 2.1 NX is an MTF authorised and regulated by the FSA.
- 2.2 Nomura has two distinct roles in respect of its business on NX:
- 2.2.1 Nomura as the Operator of NX; and
  - 2.2.2 Nomura as a Member of NX, in its broker dealer capacity.
- 2.3 A Person can access NX as either a Member or a Participant. A Member has direct access to NX and all resultant trades on NX will be in the name of the Member. A Participant has indirect access to NX via its brokerage arrangements with Nomura and all resultant trades will be made on behalf of the Participant in the name of Nomura.
- 2.4 The NX Tariff Structure and the NX Member Connectivity Agreement are available on the Website for Members.
- 2.5 The Nomura Terms of Business are available on the Website for Participants.
- 2.6 NX is a Dark equity execution platform with four crossing facilities:
- 2.6.1 NX Strategy Match – being the crossing of compatible algorithmic Orders (either from Members or Participants), with compatibility being measured in relation to benchmark strategy, size, direction and time period. At present, this is limited to VWAP based algorithms. Executions will occur at scheduled 15 minute time periods.
  - 2.6.2 NX Mid Match – is a randomised auction crossing facility with midpoint crossing. NX is a price referencing venue where the Orders will be based on the best bid and offer of a Primary Market. NX Mid Match will run randomised periodic auctions to within 30 seconds of the prior match in that Security.
  - 2.6.3 NX Bid Match – is a continuous crossing facility is a dark crossing facility referencing best bid of the Primary Market.
  - 2.6.4 NX Offer Match - is a continuous crossing facility is a dark crossing facility referencing best offer of the Primary Market.
- 2.7 Nomura will subscribe to two memberships on NX: a) one membership shall signify all Nomura flow; and b) the other membership shall signify all Participant flow.
- 2.8 Flow from Participants and from other (non Nomura) memberships will be processed through segregated system channels used for Nomura's electronic trading. This flow will be segregated from other Nomura desks and subject to Nomura's confidentiality and conflicts policies and procedures as detailed in the User Guide.
- 2.9 The User Guide provides further information on the matters referenced in these Rules.

### **3. Access to NX**

#### **Membership**

- 3.1 Applicants can apply to become a Member at any time by submitting the NX Application Package as detailed in Annex A of the Rules.
- 3.2 Applicants are eligible to apply to become a Member of NX provided they meet the following Eligibility Criteria:
  - 3.2.1 the Applicant must either:
    - 3.2.1.1 be an investment firm or credit institution incorporated and regulated in the EEA (as defined under MiFID); or
    - 3.2.1.2 in the view of the Operator, be fit and proper, have adequate organisational arrangements in place and a sufficient level of trading ability and competence;
  - 3.2.2 the Applicant must satisfy such technical and systems requirements as may be prescribed by the Operator from time to time;
  - 3.2.3 the Applicant must satisfy any capital adequacy and financial resources requirements for Anti-Money Laundering/ Know Your Customer purposes which may be determined by the Operator as being the minimum required to support the activities the Applicant proposes to undertake on NX. The level of financial resources which any or all Applicants are required to have may be different for each Applicant and may be amended at any time by the Operator in its sole discretion;
  - 3.2.4 the Applicant must have adequate settlement systems in place as determined by the Operator in order to guarantee the adequate settlement of transactions;
  - 3.2.5 the Applicant must have entered into and not terminated the NX Member Connectivity Agreement with Nomura; and
  - 3.2.6 the Applicant must meet any other criteria which the Operator may prescribe from time to time with regard to membership and published by Notice.
- 3.3 The Operator shall, after receipt of a completed NX Application Package and any additional information requested by it, in its discretion, approve or reject such application or approve such application subject to such conditions and/or restrictions as it considers appropriate. The Operator shall notify the Applicant of its decision in writing.
- 3.4 A Member shall have adequate arrangements to ensure that all staff involved in the conduct of business on NX is suitable, adequately trained and properly supervised. A confirmation is required in the NX Application Package for Membership in Annex A that relevant employees have read and are familiar with the Rules, User Guide and other relevant documentation.

## Participation

- 3.5 A Person can become a Participant of NX at any time by completing the Participation Checklist set out in Annex B of the Rules. The Operator will notify the prospective Participant of the date on which its participation shall become effective.
- 3.6 Persons are eligible to request to become a Participant of NX provided they meet the following Eligibility Criteria:
- 3.6.1 the Person must either:
- 3.6.1.1 be an investment firm or credit institution incorporated and regulated in the EEA (as defined under MiFID); or
  - 3.6.1.2 in the view of the Operator, be fit and proper, have adequate organisational arrangements in place and a sufficient level of trading ability and competence; and
- 3.6.2 the Person must have entered into and not terminated the Nomura Terms of Business and (as applicable) an electronic trading services agreement with Nomura (together, the “**Brokerage Agreements**”).

## 4. Continuing Obligations

- 4.1 Members and Participants shall at all times ensure their continuing compliance with these Rules, including, without limitation, the Eligibility Criteria and any Notice issued, or decision or direction given, by the Operator.
- 4.2 Each Member and Participant shall be responsible for compliance with all applicable legal and regulatory requirements which may be imposed on the Member or Participant by a Regulator.
- 4.3 Members and Participants will notify the Operator upon the occurrence of the following:
  - 4.3.1 a change in the Member or Participants name, contact details or legal status at least 5 Business Days in advance of any change taking effect;
  - 4.3.2 a change in control of the Member or Participant within the meaning given under FSMA within 5 Business Days of becoming aware;
  - 4.3.3 a material change or intervention regarding the Member or Participant such as an enforcement action by a Regulator or litigation to the extent that it affects the ability of the Member or Participant to comply with these Rules as soon as reasonably practicable;
  - 4.3.4 insolvency of the Member or Participant immediately upon becoming aware;
  - 4.3.5 a change in the Member or Participant's ability to meet the Eligibility Criteria immediately upon becoming aware;
  - 4.3.6 a loss of connectivity or other technical issues which might affect the Member or Participant's ability to comply with these Rules immediately upon becoming aware; or
  - 4.3.7 a material breach of these Rules immediately upon becoming aware.
- 4.4 Members and Participants are responsible for retaining records of all Orders submitted and all trades entered onto the NX trading system for a minimum of 5 years.

## 5. Conduct Rules

- 5.1 Both Members and Participants shall not, in respect of its business on NX:
  - 5.1.1 commit any act or engage in any course of conduct which creates, or is likely to create, a false or misleading impression as to the market in, or the price, supply, or value of, any Security;
  - 5.1.2 do or engage in any act or course of conduct which is likely to harm the integrity, fairness, orderliness or reputation of NX;
  - 5.1.3 do or engage in any conduct which is in breach of the Market Abuse Directive;
  - 5.1.4 breach these Rules or cause or contribute to a breach of these Rules by another Member or Participant; or

- 5.1.5 cause a fictitious Order to be input into NX.
- 5.2 The Operator may take disciplinary action under Rule 17 in relation to a Members conduct which falls within that described in Rule 5.1 above.
- 5.3 Any breach of the Rules by Participants will be dealt with in accordance with the Brokerage Agreements.
  - 5.3.1 Any behaviour by the Participant which requires escalation will be referred to, and the matter will be overseen by, the NX Operating Committee for resolution.
  - 5.3.2 Any significant breaches of the Rules, disorderly trading conditions and conduct that may involve market abuse by the Participant will be reported to the FSA (or other Regulator).

## **6. Eligible Securities**

- 6.1 Securities admitted to trading on NX will be those Securities admitted to trading on a regulated market in the EEA. The Operator will determine at its absolute discretion which Securities are eligible for trading on NX and will maintain a list on the Website.
- 6.2 NX is not available for the primary listing of Securities.

## **7. Fees**

- 7.1 Fees, together with associated payment terms, shall be notified to Members via the NX Tariff Structure as available on the Website and updated from time to time by Notice. The Operator may require a Member to execute and maintain a direct debit mandate in the Operator's favour, on a bank account in the United Kingdom, in order to pay fees and sums due to the Operator.
- 7.2 Participants shall be responsible for the payment of fees in accordance with the terms of their brokerage arrangements with Nomura.

## **8. Suspension or Termination or Resignation**

- 8.1 The Operator may, in its absolute discretion, suspend or terminate participation by a Member:
  - 8.1.1 where that Member ceases to meet the Eligibility Criteria;
  - 8.1.2 where that Member breaches these Rules or the NX Member Connectivity Agreement; or
  - 8.1.3 in any other circumstances where the Operator considers such suspension or termination necessary to ensure orderly trading on NX.
- 8.2 The Operator will notify a Member of its decision to suspend, terminate or restrict its membership.
- 8.3 The Operator has the right to bring a disciplinary action against a Member for 1 year after that Member ceases to be a Member of NX.

- 8.4 A Member may resign its membership on NX by the provision of 1 month's prior written notice. The Operator may at its absolute discretion waive some or all of the notice period or impose conditions or restrictions on the resignation of the Member.

## **9. Confidentiality**

- 9.1 The Operator will treat as confidential any information received from a Member in relation to its business on NX, except where:
- 9.1.1 the information is publicly available;
  - 9.1.2 disclosure is required by law or any tax or regulatory authority (including but not limited to a Regulator);
  - 9.1.3 disclosure is made in the interests of co-operation with any regulatory investigation conducted by a Regulator;
  - 9.1.4 disclosure is made for the protection of investors and the maintenance of high standards of integrity and fair dealing; or
  - 9.1.5 the Member has consented to the disclosure in writing.

## **10. Trading Rules**

### **Orders – Obligations, Responsibilities and Rights**

- 10.1 Members and Participants are responsible for all obligations and liabilities arising from their entry, deletion and execution of Orders submitted to NX.
- 10.2 Members and Participants shall, at all times, have sufficient order management systems, procedures and controls designed to prevent the entry of erroneous Orders to NX. Erroneous Orders are described in more detail in the User Guide.
- 10.3 The Operator reserves the right to restrict a Member or Participant's receipt of information or access to, and use of, the NX Order Books.
- 10.4 The Operator reserves the right to delete any Order submitted to the NX trading system where the Operator believes it necessary in order to preserve market orderliness.
- 10.5 All Orders entered on the NX Order Books are firm and available for execution (in full) and, when executed, will be binding on the Member or Participant placing the Order, even if the Order was placed on behalf of a third party.

### **Order Routing**

- 10.6 A Member may provide an automatic order routing service which enables a third party to route Orders through it directly to the NX Order Books.
- 10.7 A Member must control Order flow from an automatic order routing service through adequate systems and controls to prevent the entry of erroneous Orders to NX.

### **General Information**

- 10.8 Information relating to the trading calendar, hours of operation, trading sessions, tick and lot sizes, currency, types of Securities (including, without limitation, admissions, removals and countries) and system requirements are included in the User Guide.

### **Order Types**

- 10.9 The Order types that may be submitted to NX are detailed in the User Guide.

### **Crossing Facilities - NX Mid Match, NX Bid Match, NX Offer Match and NX Strategy Match**

- 10.10 Further detail on the NX Order Books is contained in the User Guide.

### **NX Strategy Match Execution Notifications**

- 10.11 NX Strategy Match records data on accrued executions (“**NXSM Accruals**”) and actual executions. Actual executions are advised according to standard operating procedures and are reported to the market. Data on NXSM Accruals will be made available to Members provided that this data is used solely within the Member’s trading engine only, and is not otherwise viewable or published to further Participants. Nomura as Operator of NX will determine whether satisfactory controls are in place for this publication to Members.

### **Systems**

- 10.12 Members and Participants shall at all times comply with the procedural, operational and technical requirements of the NX system and networks, as specified by the Operator from time to time.

### **Erroneous Orders**

- 10.13. The Operator may refuse to accept an Order. If an Order has been accepted, the Operator may in its absolute discretion cancel that Order if the Operator believes that the Order is erroneous, invalid, manipulative, deceptive or fraudulent or the Operator considers such action to be necessary in order to maintain the fairness and integrity of NX.

### **Error Trades**

- 10.14 If a Member or Participant submits an Order incorrectly, which is subsequently executed, it must submit a cancellation request via email within 30 minutes of the transaction(s) occurring. The trade will be cancelled provided that the other Member or Participant party to the trade agrees to the cancellation. The User Guide contains further information on the NX cancellation procedure.

### **Cancelling Trades and Orders**

- 10.15 The Operator has absolute discretion over cancelling a trade, or deleting an Order on the NX trading system, in whatever circumstances it considers appropriate.

### **Suspensions of trading**

- 10.16 In the event that there is a regulatory suspension of trading in relation to a Security, the Operator will suspend trading in that Security. This will impact the NX Order Books as follows:
- 10.16.1 existing Orders will remain in the NX Order Books;
  - 10.16.2 new Orders will be accepted but will not be traded; and
  - 10.16.3 Members and Participants will be able to cancel their Orders. No other amendments are permitted.
- 10.17 The Operator shall suspend trading in a Security on NX if the Primary Market is closed, the NX trading system suffers a service disruption, if it is in an auction period or if the Operator loses its market data feed from the Primary Market.
- 10.18 The Operator may also, at its sole discretion, suspend trading in the event of wide spread loss of Member or Participant connectivity to NX.
- 10.19 The Operator may, at its sole discretion, cancel executions on the NX Order Books that took place during the period of a trading suspension.

### **Emergency Powers**

- 10.20 The Operator may impose a temporary trading suspension when it considers necessary in order to maintain the integrity of the market or fair and orderly trading on NX.

### **Member or Participant System Problems**

- 10.21 Where a Member or Participant identifies a system problem impacting its activity on NX, it shall inform the Operator immediately and follow any subsequent instructions from the Operator.
- 10.22 The Operator will attempt to delete Orders as soon as possible after receipt of a valid request to do so but takes no liability for any executions of that Member's or Participants Orders that may occur prior to such deletion.

### **Trade Reporting**

- 10.23 The Operator will publish details of buy and sell trades executed on NX on a timely basis to Markit BOAT with NX flagged as the MTF trading destination by MIC code "NXEU".
- 10.24 Where Nomura acts as riskless principal broker to a trade, Nomura will not additionally trade report such trades as OTC and the Participant will not report this market side trade.
- 10.25 Members and Participants should follow FSA, or other regulatory guidelines, as to whether it is appropriate to trade report their client side trades.
- 10.26 For AIM securities listed on the London Stock Exchange, the Operator, as an AIM Secondary Market Registered Organisation ("**ASMRO**"), will, in addition to publishing details in accordance with Rule 10.23 above:

- 10.26.1 report to the London Stock Exchange a non publishing trade report as an “AIM – Off Exchange” trade;
- 10.26.2 for trades involving a Participant, also report to the London Stock Exchange a non publishing trade report between Nomura and the Participant to bring this riskless principal trade under the rules of the London Stock Exchange; and
- 10.26.3 for trades involving a Member, if the Member is an existing London Stock Exchange member firm, their name will be included in the “AIM – Off Exchange” non publishing trade report to the London Stock Exchange.

### **Transaction reporting**

- 10.27 Nomura will only be responsible for transaction reporting Participants trades to the FSA. Participants and Members are responsible for confirming that their own arrangements will accommodate NX trades.

## **11. Settlement**

### **Settlement Arrangements for Members**

- 11.1 Nomura will be the settlement counterparty to all trades effected on NX by a Member. Members may be required to post margins subject to the net exposure of their matched but unsettled positions.
- 11.2 A Member is responsible for ensuring the delivery of Securities on the agreed settlement due date for all its transactions on NX.
- 11.3 A Member shall ensure that all cash and Securities delivered in settlement of a trade effected on NX are free of any charge or encumbrance.
- 11.4 A Member must settle every trade effected on NX in the standard place for settlement and on the standard settlement cycle for the relevant Security, as notified by the Operator from time to time.
- 11.5 Late delivery or late payment shall not in itself constitute a repudiation of a trade.

### **Settlement Arrangements for Participants**

- 11.6 All Trades effected on NX by Participants will be settled against Nomura.
- 11.7 A Participant shall ensure that all cash and Securities delivered in settlement of a trade effected on NX are free of any charge or encumbrance.
- 11.8 A Participant must settle every trade effected on NX in the standard place for settlement and on the standard settlement cycle for the relevant Security, as notified by the Operator from time to time.
- 11.9 Late delivery or late payment shall not in itself constitute a repudiation of a trade.

## **12. PTM Levy**

- 12.1 Members are liable for the payment of the PTM Levy by itself or its clients in respect of relevant transactions where the PTM Levy is applicable. It is the obligation of the

Member to determine whether the PTM Levy is applicable, and also the rate at which it is payable.

### **13. Corporate Actions**

- 13.1 Members are required to obtain information relating to corporate actions affecting the Securities which they trade and must ensure that any Order in such a Security is accurately priced in respect of the corporate action.

### **14. Monitoring and Compliance**

- 14.1 The Operator will have systems and procedures in place to monitor compliance with the Rules, disorderly trading and conduct that may involve market abuse.

### **15. Co-operation with a Regulator**

- 15.1 The Operator will report to the Regulator any significant breaches of the Rules, disorderly trading conditions and conduct that may involve market abuse.
- 15.2 The Operator will assist the Regulator in any investigation of market abuse.
- 15.3 Members and Participants will co-operate with the Operator and the Regulator in any investigation conducted in relation to their trading on NX.
- 15.4 The Operator has the power to do all things necessary to comply with relevant laws and regulations or a request of the Regulator.

### **16. Disclosure of Information**

- 16.1 The Operator may require a Member to disclose information or produce documents in its possession, custody or control, relevant to its business on NX, in a format specified by the Operator, for the purpose of investigating compliance with these Rules or in response to a legal obligation or request by a Regulator.
- 16.2 Members will provide all reasonable assistance to the Operator regarding the investigation of a possible breach of these Rules. Such assistance may include providing access to information, premises and individuals reasonably within the control of the Member.

### **17. Disciplinary Action**

- 17.1 The Operator will have absolute discretion in using any/all of the following sanctions for breach of these Rules by a Member:
- 17.1.1 written warning;
  - 17.1.2 temporary suspension;
  - 17.1.3 publication of details of the offender and rule infringement; or
  - 17.1.4 termination of membership.

Further information on the disciplinary process is contained in the User Guide.

- 17.2 A Member may appeal a decision made by the Operator under these Rules within 10 Business Days of having being notified of the sanction imposed by the Operator. At the time of notification of any appeal the Member must provide the NX Operating Committee with a full written submission detailing the grounds for the appeal. Appeals will be heard by the NX Operating Committee and its decisions will be final.

## **18. Data**

- 18.1 The Operator may disclose information and data, entered by Members and Participants into NX, only (a) where such information and data has been aggregated with the same type of information of other Members and Participants; (b) in describing the use of NX generally by all Members and/or Participants; or (c) to provide proper regulatory information to a Regulator; PROVIDED that in all such circumstances, the anonymity of the Member or Participant is at all times protected and in no event shall the information or data be, directly or indirectly, identifiable to a particular Member or Participant. The delivery of such information and data into NX shall be conclusively deemed as consent to such use of the information and data entered in NX.
- 18.2 The Operator may, in its discretion, disclose to any person the list of the Members of NX from time to time.
- 18.3 Participants may in its sole discretion elect to be included in a list of the Participants of NX, which may be disclosed by the Operator to any person, by the provision of prior written consent to the Operator. For the avoidance of doubt, no Participant shall be included in such a list unless that Participant has specifically consented.

## **19. Intellectual Property**

- 19.1 Members and Participants acknowledge and agree that they have no intellectual property rights in NX, which belongs to Nomura or its licensors.

## **20. Amendments**

- 20.1 The Operator may, in its absolute discretion, amend the Rules.
- 20.2 All amendments will be published on the Website.

## **21. Governing Law**

- 21.1 The Rules shall be governed by the laws of England and Wales. The parties consent to the exclusive jurisdiction of the English Courts in relation to any legal action or proceeding arising out of or in connection with these Rules.

## **22. Complaints**

- 22.1 Any complaint about the conduct of a Member and/or Participant or any suspicion that any of the foregoing has committed or is about to commit a breach of these Rules shall be made in writing and addressed to the NX Operating Committee.
- 22.2 Further information on the complaints procedure is contained in User Guide.

## Annex A

### NX APPLICATION PACKAGE FOR MEMBERSHIP

Applicants wishing to become a Member must submit the following information on company letterhead to the Operator:

1	Name of Legal Entity and Registered Address.	Applications are made on a legal entity basis. Please include trading address (if different).
2	Date of Incorporation of Legal Entity	
3	Primary Contact Person	Primary contact for all information contained in the NX Application Package.
4	Confirm that the Legal Entity applying is either:	<p>(a) authorised by an EEA regulator to conduct business as an investment firm or credit institution; or</p> <p>(b) fit and proper and have adequate organisational arrangements in place and sufficient level of trading ability and competence.</p> <p>Please attach proof of regulated status for 4(a) or demonstrate fulfilling requirements of 4(b) by providing the following information:</p> <p>(a) Letter from Head of Compliance to address why the entity is not EEA regulated; and</p> <p>(b) Passport details from senior management.</p>
5	Confirm that the Legal Entity applying has:	<p>(a) satisfied the technical and system requirements prescribed pursuant to Rule 3.2.2;</p> <p>(b) satisfied capital adequacy and financial resources requirements prescribed pursuant to Rule 3.2.3;</p> <p>(c) satisfied the settlement requirements prescribed pursuant to Rule 3.2.4; and</p> <p>(d) signed a NX Member Connectivity Agreement pursuant to Rule 3.2.5;</p> <p>(e) satisfied any additional criteria that may be notified to the prospective Member in accordance with Rule 3.2.6.</p>
6	Confirmation that relevant employees at your firm have read and are familiar with the Rules, User Guide and all other relevant documentation.	
7	Provide a list of key appointments and contact	(a) CEO;

	details (phone, fax and email), including:	(b) Head of Compliance/Legal; (c) Money Laundering Reporting Officer Contact; (d) Head of Trading; (e) Settlement Contact; (f) IT Contact; and (g) Operations Contact.
8	Provide documentation on connectivity and system charts and controls	
9	Settlement details.	
10	Provide the following payment and billing information:	(a) Billing address; (b) Billing contact person including, phone, fax and email details; (c) Bank details including: i. Name of Bank; ii. Account name; iii. Account number; iv. Sort code (if applicable); v. SWIFT code (if applicable); vi. IBAN (if applicable); and vii. Currency preference (EUR/GBP).
11	Signed declaration	A declaration that all information provided in the NX Application Package pursuant to this Annex A and any and all additional information is true and accurate and that your firm will accordingly notify any relevant changes, as signed by the Head of Compliance and an Authorised Signatory.

## **Annex B**

### **CHECKLIST FOR PARTICIPATION**

Persons wishing to become a Participant of NX must:

- submit a request to the Operator to become a Participant (via email is sufficient);
- demonstrate that they satisfy the Eligibility Criteria set out in Section 3.6 of the Rules;  
and
- have agreed commercial terms with Nomura in relation to its business activity on NX.

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