

MORGAN STANLEY MTF

Rulebook

Dated 30/05/2019

This translation is provided for convenience, only the French Rules approved by AMF are binding.

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1. DEFINITIONS AND INTERPRETATION

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

Access Methods means one or more unique identifiers (which may be in the form of a password) or other access methods specified by the Operator that interface with MORGAN STANLEY MTF.

Act of Insolvency means, in relation to an entity, where such entity:

- (i) is dissolved (other than pursuant to a consolidation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes, or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets;
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (vii) above (inclusive); or
- (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Admission Criteria means the criteria set out in Rule 2.6 (*Membership*).

Affiliate means any entity controlled directly or indirectly by MSF, any entity that controls MSF directly or indirectly, or any entity directly or indirectly under common control with MSF .

AMF means the Autorité des marchés financiers in France and any successor thereto.

Applicable Law means all applicable laws, regulations and regulatory requirements (including, without limitation, the rules, guidance, orders or other directions of any relevant Regulator and the rules of any relevant

exchange or clearing house) in force from time to time, as applicable to MORGAN STANLEY MTF or to the Operator's provision of the Services or a Participant's use of MORGAN STANLEY MTF under these Rules.

Applicant means a person applying to become a Participant.

Central Counterparty means European Central Counterparty N.V. and/or LCH Limited who have been appointed by the Operator to clear Transactions (and any other central counterparties notified to Participants from time to time).

Compliance Officer means the person from time to time designated by the Operator for the purpose of these Rules as responsible for compliance matters relating to MORGAN STANLEY MTF.

Continuous Cross Book means the continuous cross book of the MORGAN STANLEY MTF.

Control has the meaning assigned by article 233-3 of the French commercial code.

Direct Electronic Access means arrangements through which a Participant allows its clients to route orders directly onto MORGAN STANLEY MTF through that Participant's systems (including risk management systems).

Direct Electronic Access Agreement means an agreement between a Participant and its client under which the Participant provides its client with Direct Electronic Access.

EBBO means the European best bid offer as compiled by the Operator, composed of lit quotes from the continuous trading phase of Primary Markets, Aquis Exchange, Cboe Europe BXE book, Cboe Europe CXE book and Turquoise.

EEA means the European Economic Area.

ESMA means the European Securities and Markets Authority.

Fees means any fees, charges or dues payable in relation to the Services as determined from time to time by the Operator and set out in the Fees Schedule.

Fees Schedule means the schedule of Fees published on the Website as amended from time to time.

LCIA means the London Centre for International Arbitration.

LEI means an ISO 17442 legal entity identifier code.

MAR means Regulation (EU) 596/2014 on market abuse.

MAQ means minimum acceptable quantity.

Marketable Order means an order in the Periodic Auction Book to buy at a price greater or equal to the indicative match price or an order to sell at a price

less than or equal to the indicative match price (in both cases not taking MAQ or other attributes into account).

MiFID II means the Markets in Financial Instruments Directive (Directive 2014/65/EU).

MiFIR means the Markets in Financial Instruments Regulation (Regulation (EU) 600/2014).

MSF means MORGAN STANLEY FRANCE SA

MORGAN STANLEY MTF means the multilateral trading facility operated by MSF for the trading of Securities in accordance with these Rules.

MORGAN STANLEY MTF Technical Specifications means the technical specification documents made available to Applicants on the Website which include the connectivity requirements for participation on MORGAN STANLEY MTF.

Negotiated Trade Book means the negotiated trade book of the MORGAN STANLEY MTF.

Non-marketable Order means an order in the Periodic Auction Book to buy at a price less than the indicative match price or an order to sell at a price greater than the indicative match price (in both cases not taking MAQ or other attributes into account).

Officer means a director, partner, member of the committee of management, chief executive, manager, secretary, or other similar officer of a Participant, or a person purporting to act in that capacity.

Operator means MSF acting in its capacity as operator of MORGAN STANLEY MTF.

Order means a buy or sell order in relation to a Security submitted to MORGAN STANLEY MTF by a Participant.

Order Book means the system operated by MORGAN STANLEY MTF for the submission and execution of Orders including the Continuous Cross Book, Negotiated Trade Book and the Periodic Auction Book.

OTR means the ratio of unexecuted Orders to Transactions.

Oversight Group means designated person established to supervise the management of MORGAN STANLEY MTF.

Participant means a person who has been accepted as a participant on MORGAN STANLEY MTF in accordance with Rule 2 (*Membership*).

Participant Agreement means the agreement entered into between the Operator and each Participant as amended by the parties from time to time.

Participant Manual means the manual available to Participants setting out guidance and practical information on MORGAN STANLEY MTF, as amended Participant Notice.

Participant Notice means a notification sent by email to a Participant or one which is communicated on the Website for the purpose of interpreting or implementing the Rules or any other purpose contemplated in this Rulebook or the Participant Manual.

Periodic Auction Book means the periodic auction book of the MORGAN STANLEY MTF.

Primary Market means the Regulated Market on which the Operator determines a Security has its primary listing.

RBBO means the reference market best bid and offer where the reference market may be the most relevant market as defined by ESMA or the Primary Market.

Regulated Market means a regulated market as defined in Article 4(1)(21) of MiFID II, or, where the market is situated outside the EEA, a market which meets comparable requirements to those set out in Article 4(1)(21) of MiFID II and which deals in equity and equity-like instruments of a quality comparable to those in a regulated market.

Regulator means any of the competent authority of any EEA Member State as defined in Article 4(1)(26) of MiFID II; any European Supervisory Authority including (without limitation) the European Securities and Markets Authority); or any equivalent authority of a state or territory that is not an EEA state.

Regulatory Suspension means the suspension of trading in a security on any market following the request of a Regulator.

Securities means the securities admitted to trading on MORGAN STANLEY MTF as decided by the Operator in accordance with Rule 7 (*Admission, Suspension and Removal of Securities from Trading*) and as notified to Participants from time to time and published on the Website.

Services means the right to access MORGAN STANLEY MTF, enter Orders on MORGAN STANLEY MTF order books, receive status updates on Orders, amend Orders, cancel Orders, execute trades against Orders on any of the MORGAN STANLEY MTF order books, receive data feeds from MORGAN STANLEY MTF containing (without limitation) certain information relating to Order execution and receive such other services as the Operator may provide through MORGAN STANLEY MTF.

Software means all software provided to Participants by the Operator in respect of the Services now and in the future, in object code, source code or any other format, including any updates, modifications and additions thereto, as well as all associated documentation in any media.

Transaction means a transaction in Securities executed on MORGAN STANLEY MTF.

Website means the MORGAN STANLEY MTF website as notified via a Participant Notice.

1.2 In these Rules references to statutory provisions, regulations, notices or Applicable Law shall include those provisions, regulations, notices or rules as amended, extended, consolidated, substituted or re-enacted from time to time. Any reference to a statute, statutory provision or statutory instrument includes a reference to all rules and regulations made under it. Unless the context requires otherwise, words importing the singular shall be deemed to include the plural and vice versa.

2. MEMBERSHIP

2.1 The Operator will consider Applicants who meet the Admission Criteria set out in Rule 2.6 (*Membership*) below for admission as Participants on MORGAN STANLEY MTF.

2.2 Applicants must submit a completed MORGAN STANLEY MTF application form and a signed Participant Agreement including all relevant attachments. Applicants shall provide any additional information reasonably required by the Operator to enable it to assess whether an Applicant meets the Admission Criteria or otherwise required in connection with the application.

2.3 The Operator will notify each Applicant whether or not its application has been approved. If the application is approved, the Operator will state in its notice the date on which the Applicant's participation shall become effective.

2.4 The documents relevant to MORGAN STANLEY MTF, including without limitation the documents required to submit an application, the Participant Manual, the MORGAN STANLEY MTF Technical Specifications and any guidance, decisions or directions applicable to all Participants and issued by the Operator, may be available on the Website or provided by the Operator on request. Unless otherwise specified by the Operator, any change to these documents shall take effect from the time determined by the Operator and will be notified to Participants by Participant Notice.

2.5 The Operator will notify any changes to the Fees Schedule to Participants at least one calendar month prior to such change taking effect.

2.6 A Participant must satisfy the following Admission Criteria. A Participant must:

- (i) be an EEA credit institution or investment firm;
- (ii) carry on business from an establishment maintained in an EEA state in respect of which the Operator has given a relevant notice of intention to the AMF regarding provision of cross-border services or from an establishment maintained in a jurisdiction which does not prohibit the provision of cross-border services by the Operator;

- (iii) have successfully completed the MORGAN STANLEY MTF technical and functional conformance testing using the Operator's conformance testing facilities as further described in the Participant Manual;
- (iv) have in place appropriate technology and systems to enable it to access MORGAN STANLEY MTF, as set out in the MORGAN STANLEY MTF Technical Specifications;
- (v) have internal systems and controls satisfactory to the Operator in place to prevent trading errors (including, without limitation, errors of a "fat finger" nature and errors connected to the use or misuse of any trading algorithms) and to ensure ongoing compliance with, and prevent breaches of, Applicable Law, these Rules and the Participant Manual, including, without limitation, pre-and post-trade controls and limits, and where relevant to the scale, nature and complexity of its business, a kill functionality allowing for a mass deletion of Orders placed through its electronic connection;
- (vi) have internal systems and controls satisfactory to the Operator to ensure that individuals who have access to or interaction with MORGAN STANLEY MTF are appropriately skilled staff with adequate professional qualifications, including, without limitation, trading staff and compliance, who know the rules and operating procedures of the MORGAN STANLEY MTF, and the trading functionalities available;
- (vii) explain to the Operator how acceptance of its application would be consistent with the operation and maintenance of an efficient, fair and orderly market on MORGAN STANLEY MTF in accordance with MiFID II;
- (viii) be a clearing member of the Central Counterparty or otherwise have made arrangements to ensure the timely clearing and settlement of Transactions;
- (ix) have satisfied the anti-money laundering checks carried out by the Operator; and
- (x) have a valid LEI.

2.7 Before deciding on an application, and, if the Applicant is accepted as a Participant, at least once a year, the Operator will undertake a due diligence assessment of the Applicant which shall cover the following in particular:

- (i) the Applicant's regulatory status;
- (ii) the Applicant's pre-trade controls on price, volume and value of orders and likely usage of the system and post-trade controls;
- (iii) the qualifications of staff in key positions within the Applicant;
- (iv) technical and functional conformance testing;

- (v) where applicable, the Applicant's policy of use of its kill functionality; and
 - (vi) if applicable, whether it would be appropriate to allow the Applicant to give its own clients direct electronic access to the system and if so, the conditions to be applied to those clients.
- 2.8 A Participant must give the Operator thirty (30) calendar days' notice in writing of its intention to resign from participation in MORGAN STANLEY MTF.
- 2.9 Notwithstanding any resignation, the Participant will remain subject to the Rules until any applicable regulatory and/or legal statutory limitation has elapsed. The Operator retains the right to commence or to continue an investigation into matters concerning a Participant after the date such Participant has resigned from participation in MORGAN STANLEY MTF.
- 2.10 A Participant's resignation is not effective and these Rules will continue to bind the Participant until:
- (i) all the Participant's outstanding Orders have been matched, cancelled or withdrawn;
 - (ii) all outstanding obligations of that Participant with respect to Transactions have been performed; and
 - (iii) all other outstanding obligations of that Participant under these Rules have been performed.
- 2.11 The Operator may, on thirty (30) calendar days' prior notice delivered to Participants in writing by Participant Notice, terminate the operation of MORGAN STANLEY MTF for any reason.

3. DIRECT ELECTRONIC ACCESS

- 3.1 A Participant must obtain prior authorisation from the Operator to provide Direct Electronic Access to clients of that Participant.
- 3.2 A Participant must carry out due diligence on any client with whom it intends to enter into a Direct Electronic Access Agreement to ensure that the provision of the Direct Electronic Access to that client would not adversely affect compliance with these Rules, lead to disorderly trading or facilitate conduct that may involve market abuse. The due diligence assessment shall cover the following in particular:
- (i) the governance and ownership structure of the prospective client;
 - (ii) the types of strategies to be undertaken by the prospective client;
 - (iii) the operational set-up, the systems, the pre-trade and post-trade controls and the real time monitoring of the prospective client;
 - (iv) the responsibilities within the prospective client for dealing with actions and errors;

- (v) the historical trading pattern and behaviour of the prospective client;
 - (vi) the level of expected trading and order volume of the prospective client;
 - (vii) the ability of the prospective client to meet its financial obligations to the Participant; and
 - (viii) the disciplinary history of the prospective client, where available.
- 3.3 Participants providing Direct Electronic Access to MORGAN STANLEY MTF must have the ability to differentiate between different client flows, and where appropriate the ability to delete client's Orders or restrict the client's ability to submit Orders to the system without having the express consent of the client. These actions may be instigated unilaterally by the Participant or at the specific instruction of the Operator.
- 3.4 Participants shall require clients to whom they provide Direct Electronic Access to comply at all times with all Applicable Law, and with these Rules.
- 3.5 Participants shall prevent clients to whom they provide Direct Electronic Access from sub-delegating the Direct Electronic Access to their underlying clients.
- 3.6 Participants are solely responsible for all activity carried out on MORGAN STANLEY MTF using their Access Methods. For the avoidance of doubt this includes any activity carried out on MORGAN STANLEY MTF by clients of Participants via a Direct Electronic Access Agreement, and therefore Participants may be subject to disciplinary action in respect of activity carried out by such clients.
- 3.7 A Participant is for every Order submitted to MORGAN STANLEY MTF by the Participant or by a client of the Participant under a Direct Electronic Access Agreement between that client and the Participant,.
- 3.8 The Operator provides the Services to Participants, but has no relationship with or obligations towards any client of a Participant, including where such client gains access to MORGAN STANLEY MTF via a Direct Electronic Access Agreement with the Participant.
- 3.9 Upon request, a Participant shall allow any independent person appointed by the Operator to carry out a review of the Participant's internal risk control systems in relation to the Participant's provision of Direct Electronic Access to its underlying clients (and shall provide all necessary assistance to any such independent person in this regard).
- 3.10 The Operator may suspend or terminate the provision of Direct Electronic Access by a Participant where it believes there has been an infringement of MiFID II, MiFIR, the Market Abuse Regulation, other Applicable Law, these Rules, or it is necessary to preserve the orderly functioning of MORGAN STANLEY MTF.

4. RELATIONSHIP WITH PARTICIPANTS

- 4.1 If the Operator receives a payment or other benefit from any person in respect of the operation of MORGAN STANLEY MTF or any Transaction or use of any information relating thereto, it shall be authorised and entitled to retain any such payment or benefit and shall not be liable to account for the same to any Participant, and the Fees shall not be abated thereby.
- 4.2 The Operator may provide access to data feeds or other information as part of the Services. Unless expressly acknowledged by the Operator in writing, none of this information is based on a consideration of the circumstances of a particular Participant, in any way tailored to suit a Participant's particular financial circumstances or presented as suitable for a Participant. Therefore, a Participant should not view the fact that the Operator is making this information available as "investment advice" or an "investment recommendation" (as such term are defined in MiFID II and MAR) in respect of any particular investment or investment strategy. Participants agree that the Operator shall not be liable for any such information that may be made available to Participants and on which a Participant relies in whole or in part in connection with any investment decision.
- 4.3 The Operator gives no guarantee that an Order submitted to MORGAN STANLEY MTF will be executed.

5. CONTINUING OBLIGATIONS

- 5.1 Each Participant must ensure that it complies at all times with the requirements of the current: Rules, the Participant Agreement, the Participant Manual, the MORGAN STANLEY MTF Technical Specifications and any other manuals, procedures, guidance, directions given by the Operator as updated from time to time.
- 5.2 Each Participant must ensure that it meets and continues at all times while it is a Participant to meet the Admission Criteria.
- 5.3 Each Participant must ensure that it, and each of its Officers, employees and agents, complies with all duties and obligations imposed by Applicable Law or by a relevant Regulator, including but not limited to reporting Transactions, and maintaining appropriate records of such Transactions.
- 5.4 Each Participant must ensure that any information, statement or representation made by it or by any of its Officers, employees or agents in any application, report or other communication to the Operator is not false or misleading.
- 5.5 Each Participant must carry out appropriate conformance testing using the Operator's conformance testing facilities as further described in the Participant Manual prior to the deployment of, or a substantial update to, the access to the MORGAN STANLEY MTF trading system, or the Participant's trading system, trading algorithm or trading strategy. Participants must also test their

controls prior to submitting Orders to the MORGAN STANLEY MTF trading system.

- 5.6 Participants that operate or plan to operate an algorithm must, prior to the deployment or substantial update of a trading algorithm or trading strategy related to that algorithm, certify to the Operator that the algorithm to be deployed has been tested, and explain the means used for testing, so as to avoid contributing to or creating disorderly trading conditions.
- 5.7 The Participant shall have sole responsibility for providing and maintaining all necessary electronic communications with MORGAN STANLEY MTF including (but not limited to) wiring, computer hardware, software, communication line access and networking devices to the extent that any of the foregoing has not been provided or supplied to the Participant by the Operator.
- 5.8 The Participant shall maintain a connection to MORGAN STANLEY MTF of such minimum quality as the Operator prescribes. The failure to provide an adequate connection or adequate equipment may result in termination of the Participant's participation on MORGAN STANLEY MTF.
- 5.9 Each Participant must ensure that each person who has access to MORGAN STANLEY MTF is given appropriate training and supervision in relation to their function on MORGAN STANLEY MTF.
- 5.10 Each Participant must ensure its timely payment of any Fees owed to the Operator by virtue of the Participant's membership or use of MORGAN STANLEY MTF or the Services, plus any applicable taxes.
- 5.11 The Operator will publish information on Transactions in accordance with its obligation to make trade reports under MiFIR.
- 5.12 Each Participant must maintain, and provide to the Operator, a valid and duly renewed LEI.

6. ACCESS TO MORGAN STANLEY MTF

- 6.1 Participant will only have access to Periodic Auction book and to the Continuous Cross Book. More generally, only Participants will be able to access MORGAN STANLEY MTF.
- 6.2 A Participant's access to MORGAN STANLEY MTF shall be subject to use of one or more Access Methods. A Participant is solely responsible for ensuring the security of its Access Methods, and that its Access Methods are known to and used only by its authorised users. Unless a Participant has received the express written approval of the Operator, any use of the Services by its authorised users who are located outside the jurisdiction of the Participant's country of domicile is strictly prohibited and each Participant shall ensure that there is no such use by any such authorised users.

- 6.3 A Participant shall be (a) solely responsible for all acts or omissions of any person using the Services through its Access Methods; (b) bound by the terms of all Transactions using its Access Methods; and (c) solely responsible for monitoring, in accordance with its internal policies and procedures, its authorised users using the Services to confirm trades executed by such authorised users. All Transactions generated by use of the Participant's Access Methods will be deemed to be authorised by the Participant.
- 6.4 The Participant shall notify the Operator immediately if its Access Methods are lost, stolen or compromised. Upon receipt of this notice, its Access Methods will be promptly cancelled but the Participant will be responsible for any actions taken through the use of such Access Methods before they are cancelled. The Operator may terminate, revoke, suspend, modify or change any or all of a Participant's Access Methods at any time with or without prior notice where the Operator considers that such action is necessary or appropriate to maintain fair and orderly trading on MORGAN STANLEY MTF.
- 6.5 The Operator shall not be responsible for ensuring that the MORGAN STANLEY MTF systems are compatible with a Participant's equipment, hardware or software or any third party equipment, hardware or software required by but not provided by the Operator. A Participant shall be solely responsible for obtaining any third party hardware, software or other equipment or technology necessary to make use of, or to access, the Services and shall be responsible for any costs involved in acquiring such hardware, software, equipment or other technology. The Operator shall have no obligation to support any such third party hardware, software, equipment or other technology.
- 6.6 The Operator and any third party licensors shall retain all rights and title (to the extent of the interests of the Operator and such third parties) to all proprietary computer programs, techniques, algorithms and processes contained therein, and the "look and feel" and graphic elements of the Software. Participants must not copy the Software, except as necessary for archival or backup purposes, subject to appropriate security measures.
- 6.7 A Participant must not make any alteration, change or modification to the Software. A Participant must not recompile, decompile, disassemble, reverse engineer, or make or distribute any other form of or any derivative work, including but not limited to the "look and feel" and graphic elements, from the Software and/or the Services, except as permitted by law.
- 6.8 A Participant must maintain its Access Methods and systems in such a manner as to ensure that no unauthorised access to MORGAN STANLEY MTF is allowed, that its systems are compatible with those of MORGAN STANLEY MTF and that its systems do not cause disruption to MORGAN STANLEY MTF, whether due to faulty operation, introduction of viruses or otherwise.
- 6.9 Securities traded on MORGAN STANLEY MTF are not permitted to be subject to a charge or encumbrance of any kind.

- 6.10 If, at any time the Operator considers that a Participant poses a credit risk to MORGAN STANLEY MTF, the Operator may suspend, restrict or terminate that Participant's access to MORGAN STANLEY MTF.
- 6.11 Any Participant pursuing a market making strategy on MORGAN STANLEY MTF must enter into a written agreement with the Operator, specifying the obligations of the Participant in relation to the provision of liquidity and any incentives offered by the Operator.

7. ADMISSION, SUSPENSION AND REMOVAL OF SECURITIES FROM TRADING

- 7.1 The Operator will decide what securities to admit to trading in MORGAN STANLEY MTF and will only admit securities to trading on MORGAN STANLEY MTF where they have a primary listing on a Regulated Market.
- 7.2 The Operator will immediately suspend trading in any Security without prior notice to Participants if requested to do so by a Regulator or if a Regulatory Suspension has taken place.
- 7.3 The Operator may also suspend or remove any Security from trading without prior notice to Participants where it considers that:
- (i) suspension is required to maintain fair and orderly trading on MORGAN STANLEY MTF; or
 - (ii) the Security no longer complies with these Rules unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.
- 7.4 The Operator will notify Participants promptly upon suspending or removing any Security from trading.
- 7.5 During suspension of any Security on MORGAN STANLEY MTF, trade matching in that Security is halted and no Transactions shall be executed in a suspended Security. For the avoidance of doubt, following the lifting of a suspension in respect of a Security any outstanding and unexecuted Orders in that Security will proceed to execution in accordance with these Rules.

8. TRADING RULES

- 8.1 MORGAN STANLEY MTF supports trading in a principal or agency capacity. Where a Participant flags an Order as an agency order, the Participant represents that it is submitting such Order in the legal capacity of an agent on behalf of its client(s).
- 8.2 Participants are required to flag each Order with the relevant trading capacity. If this information is not included, the Order will be rejected. Participants are solely responsible for every Order submitted by or through the Participant, regardless of whether such Orders are placed in a principal or agency capacity.
- 8.3 Participants are required to flag each Order generated by algorithmic trading and shall identify the algorithm used and the person initiating the Order.

- 8.4 MORGAN STANLEY MTF will operate during the Primary Market hours of continuous trading (which excludes any auction periods) and offer trading in cash equities and equity-like instruments in Austrian, Belgian, Danish, Dutch, Finnish, French, German, Irish, Italian, Norwegian, Portuguese, Spanish, Swedish, Swiss and UK markets. Any change in the hours of operation will be notified to Participants by Participant Notice.
- 8.5 The Order types that may be submitted on MORGAN STANLEY MTF are described further at article 12 below. Order types may be added or deleted by the Operator. Changes in the Order types will be notified to Participants by Participant Notice.
- 8.6 The Operator will be under no obligation to notify Participants of pending market events or corporate actions which are likely to impact the pricing of Securities.
- 8.7 A Participant shall treat a Security as 'ex' or 'cum' a benefit from the time that Security is marked 'ex' or 'cum' that benefit on the Primary Market. Participants are responsible for obtaining this information from a relevant market data source for the Primary Market and the Operator will not make this information available to Participants.
- 8.8 All Orders are firm and available for execution on MORGAN STANLEY MTF in full. A Participant may enter, amend or cancel their own Orders on MORGAN STANLEY MTF.
- 8.9 The Operator may reject or cancel an Order or a Transaction if it considers that the Order or Transaction is invalid, incorrect, fraudulent, manipulative or that such action is required to preserve a fair and orderly market on MORGAN STANLEY MTF.
- 8.10 When a Security is suspended from trading in accordance with Rule 7 (*Admission, Suspension and Removal of Securities from Trading*), any outstanding and unexecuted Order in that Security will remain unexecuted during such suspension. When a Security is removed from trading in accordance with Rule 7 any outstanding and unexecuted Order will be cancelled.
- 8.11 When an Order is matched in MORGAN STANLEY MTF a binding contract is immediately formed between the relevant Participants for the sale and purchase of the specified amount of the relevant Security at the price determined by MORGAN STANLEY MTF.
- 8.12 Trading on MORGAN STANLEY MTF will be subject to the Operator's arrangements for preventing disorderly trading and breaches of capacity limits, including, without limitation, limits on the number of Orders sent per second, pre-trade controls and mechanisms designed to preserve a fair and orderly market on MORGAN STANLEY MTF.
- 8.13 Where applicable, MORGAN STANLEY MTF will calculate the Participant's OTR, per financial instrument, for each trading day. In order to ensure fair usage between Participants and to avoid disorderly market conditions MORGAN STANLEY MTF may impose limits on the Participant's OTR.

- 8.14 In respect of business conducted on MORGAN STANLEY MTF or business related thereto, a Participant shall be responsible for the acts and conduct of all individuals trading under its user account as if the acts and conduct of each of those persons were the acts and conduct of the Participant. In particular, a Participant shall be held responsible for a violation of a relevant obligation committed by any such person and the Operator may take measures under these Rules and relevant agreements, including the suspension or termination of the Participant.

9. ERRONEOUS TRADES

- 9.1 In the event of a trading error a Participant may apply to the Operator to have a Transaction cancelled and declared an erroneous trade.
- 9.2 All erroneous trade applications must be communicated by the relevant Participant to the Operator in accordance with the procedure set out in Annex 11.
- 9.3 Participants must provide the Operator with any supporting information surrounding the Transaction to enable the Operator to determine that there has been an erroneous trade.
- 9.4 The Operator can, delete an accepted Order, and retrospectively break Transactions which it believes are erroneous, invalid, deceptive, fraudulent or may impair the integrity of MORGAN STANLEY MTF,.
- 9.5 The Operator will notify all parties to the Transaction of its decision to take any action under Rule 9.4 (*Erroneous Trades*).

10. MONITORING, TRADING HALTS, KILL FUNCTIONALITY

- 10.1 The Operator will monitor the operation of MORGAN STANLEY MTF and apply its policies in terms of risk controls, which may include order throttling and pre-trade controls.
- 10.2 In addition to, and without prejudice to the extent of, its powers under Rule 7 (*Admission, Suspension and Removal of Securities from Trading*), the Operator may suspend trading on MORGAN STANLEY MTF in:
- (i) Securities which fall within a specific industry group;
 - (ii) Securities which fall within a geographical sector or are listed on a specified Primary Market; or
 - (iii) the whole MORGAN STANLEY MTF market,

where it considers that such suspension is required to maintain a fair and orderly market on MORGAN STANLEY MTF. MORGAN STANLEY MTF's Periodic Auction and Continuous Cross Order Books are constrained to only execute within a suitable reference to the primary market of issue for each security. Therefore and more generally any halt in a Primary Market, will automatically halt the Order Book.. ..

- 10.3 In the event of suspension or limitation on trading in a Security on its Primary Market, disruption or malfunction in the use or operation of any electronic communications, trading facilities or price determination functions of MORGAN STANLEY MTF, failure of the Central Counterparty or other unusual market conditions, the Operator may decide to cancel all or any outstanding and unexecuted Orders and reverse all or any Transactions executed during the affected period. The Operator will notify any Participants affected by its decision by Participant Notice.
- 10.4 MORGAN STANLEY MTF will operate a kill functionality which may be used to delete unexecuted Orders submitted by a Participant, or by a Direct Electronic Access client including:
- (i) where an Order Book contains erroneous duplicated Orders; or
 - (ii) following a suspension initiated by the Operator or Regulator.

11. SETTLEMENT

- 11.1 A Participant must procure the settlement of all Transactions in accordance with the rules and customs of the relevant Primary Market and pursuant to any procedures established by the Central Counterparty.
- 11.2 For the avoidance of doubt, the settlement date for all Transactions shall be no later than on the second business day after the trade date, where so required under Regulation (EU) 909/2014 (the Central Securities Depositories Regulation).
- 11.3 In the event of settlement default, the relevant rules of the Central Counterparty will apply and a Participant must comply with such rules.

12. ORDER PRIORITY AND SELF-CROSS PREVENTION SERVICE

- 12.1 The Periodic Auction Book has two phases of operation:
- (i) “Pre-Auction”
 - (ii) “Auction Call”

During the Pre-Auction phase, when Orders exist in the Periodic Auction Book that could potentially trade against each other, the potential auction price is determined by selecting the price closest to the EBBO-mid at which a trade would occur. Should two potential prices exist that are equidistant from EBBO-mid, the potential auction price will be selected according to the highest potential resulting trade size. In the event that both prices would result in the same potential trade size, the price formed by the Order with the earliest order entry timestamp will be selected. Following price determination, Orders are prioritised for execution at the determined price in accordance with price¹/member/member sub-group/size/time prioritisation. Following Order prioritisation, matching Orders at the determined price are marked as

¹given that the potential execution price has been determined, price is used as a binary prioritisation mechanism to either deem Orders eligible or ineligible to trade at the determined price

“Initiating Orders” for the purposes of Order prioritisation during the Auction Call phase. The duration of each Auction Call phase will be a randomised period between the minimum and maximum periods set out in a Participant Notice. During the Auction Call phase, Orders are prioritised for matching according to Initiating Orders/size/time priority.

Once the Auction Call Phase has started cancellation of Marketable Orders will be queued and not take effect until the current Auction Call period has finished. The following amendments shall be permitted for Marketable Orders:

- (A) amendments that increase the quantity;
- (B) amendments to a more aggressive price (higher price for a buy order or lower price for a sell order).

Once the Auction Call Phase has started there shall be no limitations on cancelling or modifying the quantity or price of Non-Marketable Orders.

The Operator will make public pre-trade the price at which the Periodic Auction Book would best satisfy its trading algorithm and the volume that would potentially be executable at that price by Participants. The price, volume and time of Transactions executed in the Periodic Auction Book will be made public post-trade by the Operator as close to real-time as is technically possible, subject to any available publication deferrals.

12.2 The Continuous Cross Book shall prioritise Orders based on price²/member/member sub-group/size/time). The Continuous Cross Book operates under the Reference Price and Large in Scale waivers from pre-trade transparency and the Operator will therefore not make any pre-trade information public. The Reference Price waiver is subject to the volume cap mechanism and in the event the volume cap mechanism is triggered orders below Large in Scale for any Securities subject to the cap will be rejected from the Continuous Cross Book. The price, volume and time of Transactions executed in the Continuous Cross Book will be made public post-trade by the Operator as close to real-time as is technically possible, subject to any available publication deferrals.

12.3 The Negotiated Trade Book applies a strict time prioritisation for execution of Orders. The Negotiated Trade Book operates under an uncapped waiver from pre-trade transparency and will therefore not make any pre-trade information public. The price, volume and time of Transactions executed in the Negotiated Trade Book will be made public post-trade by the Operator as close to real-time as is technically possible, subject to any available publication deferrals.

12.4 The Self-Cross prevention service allows Participants that have elected to use the service to prevent two orders from the same Participant member code from matching against themselves.

² trades only take place at the RBBO-mid, therefore price is a binary prioritisation used solely to deem an Order eligible or ineligible for a potential match

12.5 An explicit modification to the quantity of an Order may result in the loss of priority for such Order in accordance with the Order prioritization sequencing in Rules 12.1 and 12.2 above. However, an implicit modification to the quantity of an Order due to an initial partial execution will not result in the loss of priority.

13. MARKET CONDUCT

13.1 A Participant must not:

- (i) engage in any type of behaviour which gives or is likely to give false or misleading signals as to the supply of, demand for or price of any Security, or which secures or is likely to secure the price of one or several Securities at an abnormal or artificial level;
- (ii) enter into transactions on MORGAN STANLEY MTF or enter Orders which employ fictitious devices or any other form of deception or contrivance;
- (iii) engage in any other behaviour or practices on MORGAN STANLEY MTF that would or are likely to be in contravention of the EU Market Abuse Regulation (596/2014) or any successor legislation thereto;
- (iv) engage in any type of behaviour which could adversely affect fair and orderly trading on MORGAN STANLEY MTF;
- (v) commit any act or engage in any behaviour which causes or contributes to a breach of these Rules by another Participant; or
- (vi) engage in behaviour for the purpose of testing any system used by the Participant to access to MORGAN STANLEY MTF except where Orders are marked as test Orders.

13.2 The Operator may monitor the Transactions undertaken by Participants on MORGAN STANLEY MTF in order to identify breaches of these Rules, disorderly trading conditions or conduct which may involve market abuse.

13.3 The Operator may report any significant breaches of these Rules, disorderly trading conditions or conduct which may involve market abuse to the AMF. The Operator may also supply any relevant information without delay to the Regulator responsible for the investigation and prosecution of market abuse and may provide full assistance to the Regulator in investigating and prosecuting market abuse occurring on or through MORGAN STANLEY MTF.

14. INFORMATION

14.1 The Operator has the right to ask for such reasonable information as it deems fit from Participants at any time in order to support an assessment of a Participant's compliance with these Rules, or which the Operator may require for the purpose of compliance with applicable law or regulation, which may include requesting information from any Participant on their organisational requirements and trading controls. Participants shall respond in a complete

manner and as soon as reasonably practicable to all such requests and, in any event, within such timelines as the Operator may require to comply with its obligations under applicable law or regulation.

- 14.2 The Operator may require a Participant to disclose information or produce documents relevant to business on MORGAN STANLEY MTF in a format specified by the Operator for the purpose of investigating compliance with these Rules, or which the Operator may require for the purpose of compliance with Applicable Law, which may include, without limitation, information about the Participant's or its Direct Electronic Access client's organisational arrangements and trading controls.
- 14.3 Each Participant must provide all assistance to the Operator and its delegates regarding the investigation of a possible breach of these Rules, which assistance may include providing access to information and individuals.
- 14.4 The Operator may disclose information which would identify a Participant as the specific source of that information to any regulatory body (including but not limited to any Regulator) for any reason, or when such disclosure is required by Applicable Law. The Operator may also disclose such information where necessary to facilitate clearing or settlement of trades on MORGAN STANLEY MTF.
- 14.5 The Operator may publicly publish and/or disclose to any person:
 - (i) the list of the Participants together with appropriate contact details;
 - (ii) the list of the Participants that have resigned, been terminated or suspended; and
 - (iii) the reasons for the decision to suspend or terminate a Participant when this is necessary to safeguard the Operator's reputation.

15. NOTIFICATIONS

- 15.1 A Participant must notify the Operator of the occurrence of any of the following events immediately upon becoming aware of the occurrence of the event:
 - (i) any breach of these Rules or any event, act or omission which may affect the ability of the Participant to comply with these Rules;
 - (ii) any other action or omission by the Participant or by any other Participant which may impair a fair and orderly market on MORGAN STANLEY MTF;
 - (iii) any litigation or enforcement action which could impair or restrict the Participant's ability to comply with these Rules, unless such disclosure is prohibited by law or any relevant Regulator;
 - (iv) an Act of Insolvency occurring in respect of the Participant;
 - (v) any failure to comply with a provision of the Participant Manual;

- (vi) a proposed change in the name, registered office or legal/regulatory status of the Participant;
 - (vii) a significant change in the Officers of the Participant;
 - (viii) if the Participant ceases to be a clearing member of the Central Counterparty for any reason, or otherwise changes its clearing and settlement arrangements;
 - (ix) any application or notification to a Regulator in relation to direct or indirect change in ownership or control of the Participant; or
 - (x) any other significant events or matters which the Operator might reasonably expect to have brought to its attention.
- 15.2 Participants must make any notification under this Rule 15 (*Notifications*) in writing to the Compliance Officer.

16. COMPLAINTS AND DISPUTES

- 16.1 If a Participant has a complaint relating to the operation of MORGAN STANLEY MTF, the provision of the Services by the Operator or the behaviour of another Participant, the Participant should submit a complaint in writing to the Compliance Officer.
- 16.2 MORGAN STANLEY MTF will maintain appropriate records of any complaints submitted to them either verbally or in writing, including details of the complaint and how it was resolved.
- 16.3 The Compliance Officer will consider any complaints and respond to the Participant who submitted the complaint within a reasonable time. The Compliance Office may request from either Participant any information reasonably necessary to decide the appropriate action to take to resolve the complaint.
- 16.4 Any dispute or claim, whether contractual or non-contractual, arising out of or in connection with these Rules and/or the Participant Agreement (including any dispute regarding its existence, validity, interpretation, breach or termination) shall be referred to and finally resolved by arbitration as follows:
- i. The arbitration shall be conducted in accordance with the rules of the LCIA which are deemed to be incorporated by reference into this Rule 16 (*Complaints and Disputes*).
 - ii. The seat or legal place of the arbitration shall be Paris, France.
 - iii. The language of the arbitration shall be English.
 - iv. The tribunal shall consist of three arbitrators. Each party shall nominate an arbitrator. The third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two party-nominated arbitrators. If the third arbitrator is not so nominated within 15 calendar days of the date of the appointment of the later of the two party-nominated arbitrators, the third arbitrator shall be appointed by the LCIA Court.

- v. Nothing in this clause shall be construed as preventing either party from seeking conservatory or similar interim relief in any court of competent jurisdiction.
- vi. Judgment for the enforcement of any arbitral award may be entered in any court of competent jurisdiction.

17. DISCIPLINARY POWER AND SANCTIONS

17.1 In relation to any act or omission by a Participant which may constitute a breach of these Rules, the Operator may take such disciplinary action against that Participant as it may consider appropriate for the purpose of maintaining fair and orderly trading and efficient execution of Orders on MORGAN STANLEY MTF including:

- (i) temporary suspension from MORGAN STANLEY MTF; or
- (ii) termination of participation in MORGAN STANLEY MTF.

17.2 In addition to taking disciplinary action against the Participant, the Operator may also report the behaviour in accordance with Rule 13.3.

17.3 The Operator may suspend or terminate participation by a Participant where the Operator considers such suspension or termination necessary to ensure fair and orderly trading on MORGAN STANLEY MTF or where required to do so pursuant to Applicable Law or regulation or on the request of a relevant Regulator.

17.4 The Operator will notify a Participant in writing within a reasonable time of its decision under this Rule 17 (*Disciplinary Power and Sanctions*), including a decision not to take action against the Participant. The Operator will state in its notice the date on which the decision shall become effective.

17.5 A Participant whose participation has been suspended or terminated shall remain subject to these Rules in respect of acts and omissions while it was a Participant and shall comply with any request for information in relation to the period of its participation which the Operator may make at any time following the termination of its participation.

17.6 A Participant whose participation has been suspended or terminated will also remain subject to these Rules in respect of any outstanding obligations under these Rules until such obligations are satisfied.

18. AMENDMENTS TO THESE RULES AND TO MORGAN STANLEY MTF

18.1 The Operator may materially change these Rules by prior notice to Participants at any time, subject to any required approval by the AMF. Unless otherwise required by a regulatory body (including a Regulator) or by Applicable Law, amendments to these Rules shall not apply retrospectively and the Operator will give Participants at least ten (10) calendar days' notice before such change comes into force.

- 18.2 Where the Operator deems it appropriate to do so, it shall consult with Participants in advance of making material changes to these Rules. Any such consultation process will be notified to Participants via a Participant Notice.
- 18.3 The Operator may make non-material changes (ie: not subject to AMF approval) to these Rules without prior notice to Participants.
- 18.4 All amendments to these Rules will be notified to Participants via Participant Notice, and be effective at such time as specified in the relevant Participant Notice.
- 18.5 The Operator may, at any time make amendments to MORGAN STANLEYMTF or to any of the Services, provided that:
- (i) the Operator must give thirty (30) calendar days' notice to Participants prior to making any material amendments to, suspending or withdrawing MORGAN STANLEY MTF or any of the Services; and
 - (ii) the Operator may make any amendments to, suspend or withdraw MORGAN STANLEY MTF or any of the Services immediately without notice to Participants where requested by a regulatory body or when required by Applicable Law.

19. GENERAL

- 19.1 Without prejudice to any provisions of other documents which are expressed to survive termination of a Participant's participation, Rules 16 (*Complaints and Disputes*) and 17 (*Disciplinary Power and Sanctions*) will survive termination of a Participant's participation on MORGAN STANLEY MTF.
- 19.2 These Rules and all non-contractual or other obligations arising out of or in connection with them are governed by and shall be interpreted in accordance with French law.

Annex 1

cancellations

Orders Cancellation

If a Participant wishes to recall all Orders or a substantial part of all Orders submitted to MORGAN STANLEY MTF by such Participant (a “Cancel All Orders Instruction”), the Operator will only comply with such Cancel All Orders Instruction if it is received from a person authorised by the Participant to submit Cancel All Orders Instructions. A list of persons authorised by the Participant to submit Cancel All Orders Instructions must be provided to the Operator at least five (5) business days prior to the relevant person submitting a Cancel All Orders Instruction.

Erroneous Transactions

In the event of a trading error, a Participant may apply to the Operator to have an executed Transaction cancelled and declared an erroneous trade, in accordance with the Rulebook. Examples of the type of Transactions that may constitute an erroneous trade may include, but are not limited to:

- i. A Transaction executed on the wrong side of the order book (buy or sell);
- ii. A Transaction which has resulted in the breach of an internal restriction;
- iii. A Transaction executed at a price level significantly different from any recognised benchmark;
- iv. A Transaction executed for an abnormal quantity for the Security in question; or
- v. Any other Transaction which the Operator believes to result from a legitimate trading error.

All erroneous trade applications must be communicated to the Operator immediately by telephone, to be followed by a written email request within thirty (30) minutes of execution. The contact details for such communication are available on the Website. The email should contain full details of the Transaction in question (including the time of execution, the Security, side (buy or sell), quantity and price) along with any other supporting information surrounding the execution of the Transaction.

The Operator will inform all parties to the Transaction being reviewed by phone or email and will review the Transaction and any supporting information provided by the parties to determine whether the Transaction constitutes an erroneous trade as soon as reasonably practicable. In making such determination, the Operator may consider:

- i. information provided by the relevant Participants;

- ii. analysis of market data;
- iii. analysis of market events;
- iv. any discrepancy between the details of the relevant Transaction and the market conditions at the time of execution; and
- v. any other factors deems relevant.

If the Operator considers that an erroneous Transaction has occurred, they may, in a timely manner, declare an erroneous Transaction and will promptly notify the parties to the Transaction of their decision and, where appropriate, will take any necessary action to facilitate cancellation of the erroneous Transaction, including but not limited to cancellation of post trade transparency reports.

The Operator may also cancel a Transaction where it believes such Transaction is erroneous, invalid, deceptive, fraudulent, may impair the integrity of MORGAN STANLEY MTF or in case of malfunction of MORGAN STANLEY MTF's mechanisms to manage volatility or of the operational and technical functions of the trading system, including issues related to the finalisation, clearing and settlement process for Transactions executed on MORGAN STANLEY MTF, whether or not a Participant has made an application to have such Transaction declared an erroneous trade in accordance with the Rulebook.