



LUXEMBOURG
STOCK EXCHANGE

LIQUIDITY PROVISION GENERAL TERMS AND CONDITIONS

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The following are the terms and conditions (the Terms and Conditions) applicable to the Member applying to be a Liquidity Provider. The Terms and Conditions form an entire and integral part of the agreement applicable to the Member engaged in supplying Liquidity Provision Activities (as defined below).

By becoming a Liquidity Provider (as defined below) and carrying out Liquidity Provision Activities, the Member (as defined below) agrees to be bound by and comply with the present Terms and Conditions as amended from time to time. The Liquidity Provider will be deemed to have accepted these Terms and Conditions every time it supplies Liquidity Provision Activities.

The Terms and Conditions may be amended, replaced or supplemented at any time by LuxSE and will be made available on LuxSE's website or sent by email or otherwise when agreed with the Liquidity Provider. In the absence of any written objection and/ or if the Liquidity Provider continues performing Liquidity Provision Activities, the Liquidity Provider shall be deemed to agree with the amended Terms and Conditions. LuxSE shall use best efforts to discuss with the Liquidity Provider, or a representative group of Liquidity Providers, prior to making any amendment to the Agreement (as defined below) that is likely to have a significant impact on the Liquidity Provider.

This preamble forms an integral and entire part of the Terms and Conditions and has a binding effect.

1. DEFINED TERMS

“Agreement”	means together the Registration Form, the Operating Terms and the Terms and Conditions.
“Confidential Information”	means any and all information (whether such information is in oral or written form or is recorded in any other medium, whether such information is marked as confidential or not) related to (i) the Agreement, (ii) the Liquidity Provision Activities, (iii) a Party including any information related to such Party’s business, customers, activities, organisation or group, systems, infrastructure, products, know-how, marketing plans, operation and/ or technical processes, procedures and its services.
“Exceptional Circumstances”	means the exceptional circumstances as described in article 3 of the Commission Delegated Regulation (EU) 2017/578 supplementing the Directive 2014/65/EU (RTS 8).
“Financial Instruments”	means the financial instruments for which Liquidity Provision Activities are performed by the Liquidity Provider. The Financial Instruments are listed in Appendix 1 of the Registration Form, as amended, replaced or supplemented from time to time.
“LuxSE”	means Luxembourg Stock Exchange.
“Market”	means a Securities Market of the Luxembourg Stock Exchange as defined in the Rules & Regulations.
“Liquidity Provider”	means the Member which has signed the Registration Form to become a Liquidity Provider whether as a Liquidity Provider A or a Liquidity Provider B (as defined in the Operating Terms).
“Liquidity Provider Activities”	means the liquidity provision activity carried out by the Member/ Liquidity Provider for its own account on a Market operated by LuxSE.
“Member”	means a member of LuxSE (i.e. it has executed a Membership and Trading Platform Application Form – or any equivalent document - and has been accepted as a member by LuxSE).
“Operating Terms”	means the Liquidity Provision Operating Terms.
“Order Book”	means the central order book maintained and operated by LuxSE.
“Party”	means each of LuxSE and the Member.
“Parties”	means jointly LuxSE and the Member.
“Registration Form”	means the Liquidity Provision Registration Form as completed and signed by the Liquidity Provider.
“Rules and Regulations”	means the Rules and Regulations of the Luxembourg Stock Exchange as amended, supplemented or replaced from time to time. It also includes any trading manual that may be related or attached to such Rules and Regulations.
“Trading Platform”	means the Trading Platform as defined in the Rules and Regulations.

Unless the context requires otherwise, references importing the singular shall include the plural and vice-versa.

2. PURPOSE

The Terms and Conditions define the conditions under which the Liquidity Provider is responsible for performing the Liquidity Provision Activities, through the Order Book, in the Financial Instruments. When the Registration Form refers to more than one Financial Instrument, the provisions of the Agreement shall apply to the same extent to each Financial Instrument.

3. OBLIGATIONS OF THE LIQUIDITY PROVIDER

3.1 Compliance and duty of care

The Liquidity Provider undertakes to provide the Liquidity Provision Activities at all times in compliance with the terms of this Agreement, the applicable laws and regulation and the Rules and Regulations.

The Liquidity Provider shall be responsible for obtaining and maintaining in effect all authorisations, permits, licenses and insurance necessary to permit the Liquidity Provider to supply the Liquidity Provision Activities and comply with its obligations under this Agreement.

The Liquidity Provider shall fulfil its obligations under the Agreement with all due care, skill and diligence.

3.2 Monitoring

The Liquidity Provider shall ensure that all transactions performed on the Markets are subject to surveillance, compliance and audit processes and procedures that are reasonably necessary to ensure its continuing compliance with all applicable laws and regulation, including but not limited to those legal and regulatory obligations relating to reconciliation and market monitoring.

3.3 Key requirements

Liquidity Provision Activities are based on the following key requirements according to the level of liquidity of the relevant Financial Instruments as defined in the Operating Terms:

- Trading quality: the Member shall only be accepted as Liquidity Provider if and only if it is trading solely on its own account;
- Financial Instruments: Liquidity Provision Activities are performed solely for bonds or other debt securities;
- Presence: the Liquidity Provider shall post firm¹, simultaneous two-way² quotes for at least 50% of trading time calculated on a monthly basis trading hours during which continuous trading takes place (excluding opening and closing auctions) with respect to each security listed in the Registration Form. In case of resumption of trading after interruptions resulting from volatility, the Liquidity Provider shall ensure to meet the minimum presence time;
- Spread (as defined in the Operating Terms): the Liquidity Provider shall post quotes of competitive prices that it to say quotes posted at or within the maximum bid-ask range set and imposed by LuxSE;
- Size: the Liquidity Provider shall respect the minimum size requirements set and imposed by LuxSE.

The above key requirements are further detailed in the Operating Terms.

Notwithstanding the foregoing, LuxSE may accept, under the circumstances described in the Operating Terms, bid-only quotes for Liquidity Providers A.

¹ A quote shall be deemed to be a firm quote where it includes orders and quotes that can be matched against an opposite order or quote, in accordance with the Rules & Regulations.

² A quote shall be considered as simultaneous two-way quote if it is posted in such a way that both the bid and the ask price are present in the Order Book at the same time.

3.4 Notification

The Liquidity Provider shall notify LuxSE immediately in the event that the Liquidity Provider is or anticipates to be unable, for whatever reason, to fulfil any of its obligations under the Agreement.

4. OBLIGATIONS OF LUXSE

4.1 Benefits granted by LuxSE

LuxSE grants the Liquidity Provider the following benefits under the Agreement:

- Publicity of its function as Liquidity Provider: LuxSE shall publish relevant information for each Financial Instrument, and
- Any other benefits that may be granted by LuxSE at a later stage.

4.2 Monitoring

LuxSE will monitor on an ongoing basis that the Liquidity Provider complies with its obligations under the Agreement. The Liquidity Provider will be informed on its daily and/or monthly compliance with the requirements as set out in the Operational Terms by means of a dedicated report (T+1) sent by LuxSE outlining performance vs criteria per Financial Instrument.

5. ALTERATION AND SUSPENSION OF LIQUIDITY PROVISION RIGHTS AND OBLIGATIONS

5.1 Occurrence of Exceptional Circumstances

In the event Exceptional Circumstances happen, the Liquidity Provider's obligation to provide liquidity (and any benefits that may accrue to the Liquidity Provider as result thereof) shall be altered or suspended. Upon the occurrence of Exceptional Circumstances, LuxSE shall notify the Liquidity Provider as soon as reasonably practicable and the rights and obligations of the Liquidity Provider shall be suspended or altered or, where not specified, for a time period to be agreed between the Parties.

5.2 Immediate suspension

The rights and obligations under the Agreement shall be suspended immediately and without any further act or formality, in case of:

- Breach of either Party's contractual obligations arising from this Agreement (in accordance with the termination conditions set forth below);
- Suspension or loss of the Liquidity Provider's status as Member of the Market on which the Financial Instrument is listed;
- Material malfunction, disruption or interruption of the Trading Platform; and
- Any conflict between the rights and obligations of the Parties under this Agreement and any law or regulation, rule, published practice or guideline of any relevant government, governmental agency, banking or tax authority having jurisdiction over one of the Parties.

6. USE OF TRADEMARKS

The Liquidity Provider hereby grants LuxSE a non-exclusive, transferable, royalty-free licence to use any of its relevant commercial references (e.g. logo, trademarks) and/or brand names (collectively the "Trademarks"), to the extent necessary for LuxSE's regulatory obligations relating to the publication of the identities of the participants associated with any Liquidity Provision Scheme. LuxSE is also authorised to use the Trademarks for any promotional activity in respect of the supply of the Liquidity Provision Activity including, amongst others, references to, inter alia, the Liquidity Provider's volumes of business and quality of quotation.

7. TERM AND TERMINATION

7.1 Duration

The Agreement is deemed to take effect at the date specified and subsequently confirmed by LuxSE.

The Agreement is made for an indefinite period unless otherwise specified in the relevant Liquidity Provider Scheme or elsewhere in the Agreement.

7.2 Termination

Either Party may terminate the Agreement in whole or in part (i.e. in relation to specific Financial Instruments) at any time by giving a 30 (thirty) days written prior notice (or any shorter period as agreed between the Parties).

The Agreement shall automatically terminate in the event the Liquidity Provider ceased to be a Member of the Market where the Financial Instruments are admitted, for any reason.

7.3 Specific termination

In case the Liquidity Provider does not comply with the requirements of the Operating Terms during a period of 3 (three) entire months during the same calendar year (whether in a row or on a cumulative basis), LuxSE will withdraw the liquidity provider status of the Member in connection with the relevant Financial Instrument(s) for the rest of the current calendar year.

For the avoidance of doubt, the application of the above procedure will not impact the Liquidity Provision Activities carried out in connection with the other Financial Instruments and for which the Liquidity Provider has complied with its obligations. Once the Liquidity Provider has lost its liquidity provider status for all Financial Instruments, it will become a normal trading member.

8. FEES AND PAYMENT

8.1 Fees

In accordance with section 4.2, LuxSE shall verify, at the end of every month, that the Liquidity Provider has complied during the previous month with its obligations under the Agreement. No trading fees will be due for the Liquidity Provision Activities performed in relation to the Financial Instruments if the monthly check made by LuxSE shows that the Liquidity Provider complied with its obligations under the Agreement. If it appears that the Liquidity Provider has failed to act in accordance with the requirements of the Agreement, a fee per transaction will be charged for all transactions made during the relevant period. Such fee is defined in the Fee Schedule published on LuxSE's website.

8.2 Minimum Activity Charge (MAC)

In the event a Member stops being a Liquidity Provider in the circumstances described in section 7.3 above, a MAC will be charged to the Liquidity Provider in accordance with the Fee Schedule as published on LuxSE's website.

8.3 Payment

All invoices issued by LuxSE must be paid in EUR within the 30 (thirty) days following the date of the invoice. Invoice must be paid by bank transfer. Any objection shall be raised in writing and addressed to LuxSE (invoicing@bourse.lu) within the 30 (thirty) days following the date of the invoice.

In the event any amount remains unpaid for more than 30 (thirty) days after the invoice date, LuxSE may, without further act or formality, charge late payment interest at the legal rate applicable in Luxembourg for commercial matters, except when the non-payment of the outstanding amounts results from a good faith dispute. Interests shall be calculated from the date the invoice has become due and payable. The application of late payment interests as stated above is without prejudice to any other right or remedy that LuxSE may have under this Agreement or the applicable law.

When any payment remains outstanding for a period of more than 90 (ninety) days after the invoice is issued, and in the absence of any good faith dispute, LuxSE reserves the right to suspend the Services with prior notice. When any payment remains outstanding for a period of more than 10 (one-hundred and twenty) days after the invoice is issued, and in the absence of any good faith dispute, LuxSE reserves the right to terminate the Agreement without further act or formality.

The application of the above rights by LuxSE is without prejudice to any other right or remedy that LuxSE may have under any provision of the Agreement or the applicable law.

8.4 Revision of fees

LuxSE may vary any fees applied under this clause from time to time. Any application or variation of fees under this clause shall not have retroactive effect and will be communicated to the Liquidity Provider within a reasonable period of time in advance.

9. MODIFICATIONS AND IMPROVEMENTS

Through the transmission of an Updated List as described in the Registration Form (or by any other method prescribed by LuxSE from time to time), the Liquidity Provider may request to start or to resign from Liquidity Provision Activities on one or more Financial Instruments on the relevant Trading Platform.

LuxSE reserves the right to make any modifications or adjustments related to the Agreement from time to time on one month's written notice to the Liquidity Provider.

10. CONFIDENTIALITY

10.1 Confidentiality obligations

Unless otherwise agreed between the Parties, the Party receiving Confidential Information (the Receiving Party) shall keep the Confidential Information of the other Party (the Disclosing Party) secret and confidential and shall not (without the prior written consent of the Disclosing Party) intentionally or unintentionally disclose any part of that Confidential Information to any person other than to its employees, agents, service providers, or contractors, officers (the "Authorized Recipients") who require access to that Confidential Information in order for the Receiving Party to perform its obligations under this Agreement or receive the benefit of its rights under this Agreement.

The Receiving Party and its Authorized Recipients shall not (without the prior written consent of the Disclosing Party) use the Confidential Information except for the exclusive purpose of performing its obligations under the Agreement or receiving the benefit of its rights under the Agreement. Each Party shall be responsible for the acts and omissions of its employees, agents, officers, service providers or contractors.

10.2 Exceptions

Without prejudice to the above, the Liquidity Provider shall be allowed to disclose Confidential Information:

- In respect of the Agreement, to an issuer of a Financial Instrument to the extent reasonably necessary or required;
- Relating to its own transactions duly carried out by it on a Market;
- Generally made available to the public by LuxSE;
- To the extent required pursuant to applicable law, an order of a court of competent jurisdiction, or a request of a regulatory or public authority of competent jurisdiction, in which case the Liquidity Provider shall inform LuxSE in advance or, if not legally allowed to do so, as soon as possible thereafter.

10.3 Property rights

Any Confidential Information shall at all times be and remain the sole and exclusive property of the Disclosing Party. Nothing in this Agreement is constructed to assign, transfer, and license or create in the Receiving Party's favor any entitlement or right in connection with the Confidential Information including but not limited to any intellectual property rights, property rights or license other than the rights granted under this Agreement.

10.4 Survival

The obligations as defined in this clause 10 shall continue after the termination of the Agreement for a period of 10 (ten) years.

11. PERSONAL DATA

LuxSE processes, as a controller, personal data under the Agreement. This processing is in relation to the personal data (i) of authorised users who use the services or Trading Platform under the Liquidity Provider's control and responsibility or (ii) transferred by the Liquidity Provider within the framework of its market activity (the Personal Data).

The Personal Data are provided by the Liquidity Provider to LuxSE. The Liquidity Provider shall, on behalf of LuxSE, provide notice to the people to who the Personal Data belong (the "Concerned People") in accordance with applicable law and regulation, which may include confirmation that:

- The Personal Data collected are identification data in order to allow the Liquidity Provider to perform the Liquidity Provision Activities and to enable LuxSE to comply with its duties under this Agreement;
- If relevant or necessary for the proper provision operation or management of the Liquidity Provision Activities, the Personal Data may be communicated to LuxSE's providers, licensors or suppliers (e.g. Euronext N.V.) in accordance with the applicable regulation;
- The Personal Data may also be communicated by LuxSE to competent authorities;
- These data will be retained by LuxSE as long as necessary for the performance of the Agreement and for compliance with applicable law and regulation;
- The Concerned People are responsible for notifying LuxSE of any modification of their Personal Data or any other information relevant to the processing of their Personal Data (such as, but not limited to, their objection to the processing of their Personal Data) so that LuxSE is able to update (or delete) the relevant Personal Data and comply with applicable law and regulation; and
- The Concerned People have a right to access, amend or delete Personal Data relating to them, to object to the processing of their Personal Data by LuxSE and to submit a complaint to the competent data privacy authority. Apart from the latter, these rights can be exercised by sending an email to privacy@bourse.lu.

Such notice may in addition include any other information as required by applicable law and regulation.

By executing and sending the signed Agreement, the Liquidity Provider confirms that it has informed the Concerned People of the purpose and the conditions of the processing of their Personal Data by LuxSE as detailed herein.

The Liquidity Provider represents and warrants that these data are at all times collected, processed and provided to LuxSE in accordance with all applicable law and regulation, including without limitation that relating to the protection of individuals with regard to the processing of personal data. The Liquidity Provider undertakes to indemnify and hold harmless LuxSE against any loss, claim, procedure or penalty whatsoever arising from any breach by the Liquidity Provider or by the Concerned People of the Liquidity Provider's foregoing representation and warranty.

12. NO AGENCY

Each of the Parties acknowledges and agrees that nothing in this Agreement shall be deemed to create a partnership or agency relationship between the Liquidity Provider and LuxSE or any agent or contractor of LuxSE, or be deemed to authorise either Party to incur any liabilities or obligations on behalf of or in the name of the other.

13. NOTIFICATION

Except as otherwise provided in this Agreement, all notices by one Party to the other under this Agreement shall be sent by hand, email or by regular mail, postage prepaid, to the applicable person and address specified on the Registration Form. Any modification to the name or details of a contact person shall be notified to the other Party in writing.

14. ASSIGNMENT

Neither Party may assign or transfer the Agreement to any third party without the prior consent of the other Party. However, any company or entity resulting from the merger or amalgamation of LuxSE or any company succeeding to substantially all of the business of LuxSE shall thereupon become the successor or assignee of LuxSE under this Agreement without prior consent or further act or formality.

15. MISCELLANEOUS

15.1 Entire agreement

This Agreement and any other documents expressly incorporated into this Agreement constitute the entire agreement of the Parties and supersede any previous agreement of the Parties as to the subject matter of this Agreement.

Each Party acknowledges that it has not relied on or been induced to enter into this Agreement by a representation other than those expressly set out in this Agreement. This does not affect a Party's liability in respect of a fraudulent misrepresentation.

15.2 Severability

If at any time any provision of the Agreement is declared invalid and unenforceable, to the fullest extent permitted by the applicable law:

- The other provisions of the Agreement shall remain in full force and effect and the relevant other sections shall be interpreted in line with the intention of the Parties (as reasonably possible); and
- The Parties shall negotiate in good faith, replacement or substitutive provisions which are legally valid, binding and enforceable. The meaning of such replacement clauses shall, to the extent reasonably feasible, remain close to the original intention of the Parties when entering into the Agreement.

15.3 Waivers

No failure by a Party to exercise, nor any delay by such Party in exercising, any right or remedy hereunder shall operate as a waiver of any right or remedy hereunder, nor shall any single or partial exercise of any right or remedy, prevent any further or other exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by the applicable law.

15.4 Governing law and jurisdiction

The Agreement shall be governed by and shall be construed in accordance with the laws of the Grand Duchy of Luxembourg. LuxSE and the Member agree that the courts of Luxembourg shall have exclusive jurisdiction for any action or proceeding relating to the Agreement or the interpretation of the Agreement. Any and all dispute, claim or litigation arising out of, or in connection with the Agreement shall first be handled while aiming to resolve such dispute, claim or litigation by amicable settlement. Only if and when the dispute cannot be resolved within a reasonable timeframe, it may be brought before the competent court of Luxembourg City.