

ANNEX D, AUDIT POLICY

OF THE EMDDA

(APPLICABLE FROM JANUARY 2017)

Annex D outlines the following clauses providing guidance on Euronext's Audit procedures:

1. Introduction
2. Audit purpose
3. Audit scope
4. Audit location
5. Audit Notification, preparation and planning
6. Analysis and preliminary findings
7. Audit Results and Settlement
8. Confidentiality

All capitalised terms used, but not defined herein will have the meaning as defined in the General Conditions.

1. INTRODUCTION

- 1.1 Euronext may Audit the Client and the Client's Group ("**Audited Party**").
- 1.2 Other than as provided for under clause 1.3 of this Annex, Audits will be conducted on a routine basis at each location of the Audited Party no more than once per year ("**Regular Audits**").
- 1.3 Euronext may also conduct extra Audits in addition to the Regular Audit ("**Extraordinary Audit**"). Euronext will determine the necessity of an Extraordinary Audit in its reasonable discretion, taking the legitimate interests of the Audited Party into account. Reasons for an Extraordinary Audit include, but are not limited to, discrepancies in Reports, delayed or incomplete Reports, or the grave deterioration of the Audited Party's asset situation. In case of Extraordinary Audits, Euronext may shorten the notice time and/or waive a refusal of the Audit date by the Audited Party.
- 1.4 The Audit will be performed by employees of Euronext and/or third parties instructed by Euronext ("**Audit Team**").
- 1.5 In case any law and/or regulation applicable to the Audited Party prohibits the Audited Party to disclose the details of its Private Investors to Euronext, such Audited Party shall hire and instruct at its own expense an external and independent audit firm ("Independent Auditor"), to be accepted by Euronext, to complete the Audit of its Redistribution to Private Investors within 90 (ninety) days of the Audit Notification (as defined in clause 5.1 of this Annex). The Independent Auditor shall complete the Audit in line with Euronext's audit guidelines, and inform Euronext in writing of its findings.

2. AUDIT PURPOSE

In general, the Audit Team examines whether the correct remuneration has been paid to Euronext, identifies possible sources of errors and recommends solutions to reduce any future errors occurring. This can involve the verification and assessment of:

- (a) the controls and procedures surrounding the dissemination of and/or provision of access to Information (entitlement and permissioning); and
- (b) the regular reports the Audited Party is obliged to submit ("**Reports**"). More information on the Client's requirement to submit Reports is provided in Annex C.

3. AUDIT SCOPE

- 3.1 The scope of an Audit may include the Audited Party's Use of Information (including Use that is subject to the Operational Use Fee waiver as described in clause 2.2 of Annex B), as well as any dissemination of and/or provision of access to Information by the Audited Party to third parties. Such third parties may be Redistributors, Service Facilitators, Subscribers, users (both professional and non-professional) and any other party. The Audit will also cover any unauthorized as well as erroneous onward dissemination of or provision of access to Information. For the avoidance of doubt, Clients that solely provide Delayed Information to Subscribers and/or Subscriber's employees are not required to submit Reports. In this case an Audit would therefore not include the examination of Reports to verify correct and efficient reporting.
- 3.2 An Audit may cover all Information products received by the Audited Party either directly from Euronext or via a third party.
- 3.3 An Audit may examine, by way of demonstrations by the Audited Party, all systems, Devices and applications that consume Information, in addition to the procedures, processes and systems that control the release of and/or provision of access to Information.
- 3.4 An Audit may examine, if applicable, all records, procedures, processes and systems relevant to the Audited Party's requirement to submit Reports including, but not limited to, entitlement records, Datafeed Access Declarations and HR records.
- 3.5 The period over which the Audited Party is audited may be up to 3 (three) years ("**Audit Period**"). However, in case of a delay as a result of the Audited Party not meeting the preparation requirements (as described in clause 5.3 of this Annex) and/or cooperation requirements (as described in clause 5.4 of this Annex), Euronext may extend the Audit Period with a period equal to the number of days the Audit was delayed.

4. AUDIT LOCATION

- 4.1 The Audit generally takes place at the premises of Euronext or the third party instructed to conduct the Audit ("**Remote Audit**") and the Audit Team shall for that purpose be entitled to request from the Audited Party:
 - (a) the delivery of the relevant agreements, records and information for the purpose of a review and analysis at the site of Euronext or the third party instructed to conduct the Audit; and

- (b) remote demonstrations of systems and applications such as through WebEx and webinars.
- 4.2 After the notification of a Remote Audit the Audit Team may, within reason, decide to conduct the Audit, in whole or in part, at the premises of the Audited Party (“On-Site Audit”) at any time without the need for a new Audit Notification as defined in clause 5.1 of this Annex. The Audit Team will provide the Audited Party two weeks’ notice of such change.
- 4.3 Euronext may occasionally announce an On-Site Audit, in whole or in part. On-Site Audits allow both identification and location of the sources of errors in Reports. If applicable, an On-Site Audit may also extend to the location of third parties in receipt of Information from the Audited Party, insofar as Information dissemination and the Audited Party’s requirement to submit Reports are concerned.

5. AUDIT NOTIFICATION, PREPARATION AND PLANNING

- 5.1 The Audited Party will be notified by e-mail stating the intention to Audit and including an outline of the Audit (“**Audit Notification**”). Euronext will follow-up on the Audit Notification by phone or email to confirm the details, if circumstances allow it, within one week of such Audit Notification.
- 5.2 The outline of the Audit will describe the scope of the Audit, including, but not limited to, the Audit Period, commencement date, products, procedures and location of the Audit, and a list of all agreements, (application) overviews, records and information the Audited Party is required to provide to Euronext.
- 5.3 The Audited Party will prepare the Audit by:
 - (a) identifying, collecting centrally, and making available for inspection by the Audit Team, all agreements, records and information requested in the outline of the Audit, prior to the commencement date of the Audit; and
 - (b) ensuring that sufficient resources are made available for the duration of the Audit, such as staff, records and equipment; and
 - (c) making available sufficient relevant staff in order to analyse, discuss and clarify outstanding issues.
- 5.4 Both Euronext and the Audited Party shall promptly cooperate with each other in order to enable the Audit to be planned, prepared and conducted in an efficient manner.

6. ANALYSIS AND PRELIMINARY FINDINGS

- 6.1 During the Audit, the Audit Team will put into writing the results of its work, as well as any outstanding issues and assumptions, regularly.
- 6.2 Regular meetings with the Audited Party, including by phone, will be scheduled by the Audit Team to discuss and agree upon outstanding issues and an approach and time frame for resolving such outstanding issues.
- 6.3 The Audited Party will be requested to provide feedback on outstanding issues on a date set and confirmed in writing by e-mail by the Audit Team. If the Audited Party provides timely feedback on the outstanding issues Euronext can take into account, in the preliminary findings, any of the Audited Party’s comments and recommendations. In case of failure to comply with this deadline, Euronext may prepare the preliminary findings based on the information available at the time of the deadline.

- 6.4 In the event of a lack of documentation to support Reports to Euronext, significant discrepancies or contract violations, the Audit Team may lengthen the Audit Period, initiate additional queries, validation tests and additional visits, expand the number of locations audited and/or impose sanctions pursuant to clause 14 of the General Conditions.

7. AUDIT RESULTS AND SETTLEMENT

- 7.1 When the Audit Team has addressed all outstanding issues, it will communicate to the Audited Party by email:
- a) the preliminary results with supporting documentation, feedback from the Audited Party and recommendations and deliverables going forward (“**Audit Results**”); and
 - b) any adjustments to the Reports and any claim for additional remuneration that should be paid by the Audited Party as a result (“**Audit Settlement**”).
- 7.2 The Audited Party may request the Audit Team to arrange a meeting with them to discuss the Audit Results and Audit Settlement, within one week of Euronext sending the Audit Results and Audit Settlement.
- 7.3 The Audited Party is required to respond to the Audit Results and Audit Settlement in writing, including by e-mail, within two weeks of Euronext sending the Audit Results and Audit Settlement. Should the Audited Party not provide a response within two weeks, the Audit Results and Audit Settlement as set down by Euronext shall be considered to be accepted by the Audited Party.
- 7.4 The Audited Party shall promptly respond to the Audit by taking the appropriate steps to implement the Audit Results internally.
- 7.5 Any claim arising out of the underpayment of Fees, as part of the Audit Settlement and derived from the Audit Results subject to clause 14.6 in the General Conditions, will be invoiced to the Audited Party by Euronext and should be paid to Euronext, in accordance with clause 12 in the General Conditions. Upon complete payment of such invoice Euronext will certify completion of the Audit in a closing letter by e-mail. The closing letter will refer the Audit Period and locations audited.
- 7.6 In case of material deviations between the Reports and actual access to Real Time Information by the Audited Party, Euronext shall be entitled to make the further supply of Information to the relevant Audited Party, depend on the conclusion of the Audit.

8. CONFIDENTIALITY

All records and systems inspected in the course of an Audit, all necessary Audit works and the Audit Results and Audit Settlement will be treated by Euronext and/or the third party instructed by Euronext as Confidential Information. Euronext hereby warrants that the external auditors who it instructs have signed a declaration making them subject to the same confidentiality obligations as Euronext in accordance with clause 17 of the General Conditions. As confidentiality is governed by this Agreement, Euronext is not required to enter into a separate non-disclosure agreement with the Audited Party.