



London
Stock Exchange

SEDOL Masterfile™
Pricing and Policy Guidelines

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1 Introduction

1.1 Background

The SEDOL Masterfile™ service has been in operation for over 30 years and currently provides information on over 5 million securities, including Exchange Traded Derivatives, traded on UK and International markets.

Various organisations process SEDOL Masterfile data to aid security identification in their business activities, for example, to assist with portfolio valuation, trade execution, processing price feeds, as a cross reference to other identifiers, price validation etc.

The SEDOL Masterfile™ service addresses three major industry issues with securities identification:

- identification of individual securities and the **markets** that they are traded on – reducing the estimated £100m lost each year by the industry as a result of trading errors caused by confusion over security identification;
- code allocation on a real time basis; and
- the SEDOL code covers all asset classes – reducing the need for multiple identifiers.

1.2 Purpose and Scope of Document

The purpose of this document is to provide the reader with further details of price information and guidance on the reporting and usage of SEDOL Masterfile data.

This document should be read in conjunction with the SEDOL Masterfile User or Distribution Licence Agreement as applicable and offers some particular practical examples of usage and exemptions which may be relevant in considering chargeable and non-chargeable use. This document may be re-issued from time to time as technology or the policy evolves. The latest version of this document will be available at www.londonstockexchange.com/sedol.

2 Pricing Policy

2.1 User Licence Requirements

A licence is required for companies that are making use of the Exchange's SEDOL Masterfile data within their business.

Usage by a company includes:

- **Receiving, extracting and/or reproducing the whole or a substantial part of the Exchange's SEDOL Masterfile database, including SEDOL, whether as a result of access to the database either directly via the Exchange, or indirectly via a third party.**

The type of licence required is dependent on the levels of SEDOL Masterfile data within the business. Section X2.2X headed Licence Structure provides details of the different licence band levels available. Section X2.3X provides information on determining the level of data for which a licence is required. The level of data is determined by the number of SEDOL codes being held by the licensee.

There are **exceptions** to the licence requirements, which are detailed in Section X2.11X.

Reference to SEDOL Masterfile data in this document should be taken to mean any data sourced directly or indirectly from the Exchange's SEDOL Masterfile database.

There are no additional charges to customers if the SEDOL Masterfile data is being provided by more than one vendor or vendor product i.e. real-time data feed or reference data product.

2.2 Licence Structure

The licence structure as of April 1st 2009 is summarised below:

Licence Type	Banding	Cost (p.a.)	Details
Entity	Band A	£610	Single legal entity using less than 1,000 SEDOL codes from the SEDOL Masterfile and unlimited TIDM codes
	Band B	£1,900	As above but using between 1,000-5,000 SEDOL codes from the SEDOL Masterfile
	Band C	£6,300	As above but using between 5,001-10,000 SEDOL codes from the SEDOL Masterfile
	Band D	£20,500	As above but using more than 10,000 SEDOL codes from the SEDOL Masterfile
Enterprise	Band A	£68,250	Group Licence with 5 or less Group companies using SEDOL Masterfile data.
	Band B	£90,000	Group Licence with 6 or more Group companies using SEDOL Masterfile data.
Distribution	Band A	£610	Single entity distributing less than 1,000 SEDOL codes from the SEDOL Masterfile.
	Band B	£1,900	As above but distributing between 1,000 – 5,000 SEDOL codes from the SEDOL Masterfile.
	Band C	£10,300	Enterprise distributing more than 5,000 SEDOL codes from the SEDOL Masterfile.
Higher Education		£600	See Section 2.2.3

2.2.1 Enterprise Licence

The Enterprise licence is available for those companies with a number of Group Companies. A Group Company in this context means a company having a separate

legal identity (for example, in the case of English or Welsh companies, having a distinct company registration number) which is more than 50% owned by the group.

This licence covers usage of the SEDOL Masterfile data by the legal entity holding the licence, and all its Group Companies. It may be more cost effective for a customer with multiple Group Companies using more than 10,000 SEDOL codes to take an Enterprise Licence.

There are two applicable bands of Enterprise licence. Enterprise Band A for companies with 5 or less Group Companies using SEDOL Masterfile data, and Enterprise Band B for companies with 6 or more Group Companies using SEDOL Masterfile data.

The parent company of the group should take the licence on behalf of its Group Companies.

The company will be responsible for notifying the Exchange of the Group Companies that should be covered by the licence at the commencement of the contract, and subsequently of any changes to this information. Changes to Group Company information will be effective from the date that notification is received.

The licence fee covers the legal entity and its Group Companies irrespective of the number of individual users.

2.2.2 Entity Licence

There are four applicable bands of Entity Licence that a company can choose from based on the number of SEDOL codes from the SEDOL Masterfile database used within their business. For the avoidance of doubt, the licence bands (detailed below) refer to the level of usage of SEDOL codes and not to specific codes (i.e. it is not possible to buy several licences at a particular level and add them up together to cover a higher level of usage).

An entity in this context means having a separate **legal** identity e.g. in the case of an English or Welsh company, having a different company registration number.

Whilst OEICs and Investment Trusts are registered companies and as such are legal entities, where it is the management company that is extracting the SEDOL Masterfile data and utilising the data for management activities, it would be the management company that would require the licence, not the OEIC or Investment Trusts. However, for the avoidance of doubt, all Entities whose purpose it is to promote, support, maintain or seek clients or investors for those OEICs or Investment Trusts will be liable to a User Licence.

Where a group of companies manages one central database, all legal entities in the group (e.g. group members – parent company and its group companies) that have access to the central database will require a User Licence irrespective of their location as they are "processing" (as such term is defined in section 2.3) the data from the central source.

2.2.2.1 Band A - Less than 1,000 SEDOL codes or all TIDM codes

Licence covering a single legal entity using less than 1,000 SEDOL codes from the SEDOL Masterfile database.

Usage of the TIDM code by a customer is included for holders of a SEDOL Masterfile Licence. However, for those companies who choose to use the TIDM code, but not the SEDOL codes, a Band A licence can be taken. This licence covers the use of TIDM codes and associated data within an organisation, regardless of the number utilised.

2.2.2.2 Band B - 1,000-5,000 SEDOL codes

Licence covering a single legal using between 1,000-5,000 SEDOL codes from the SEDOL Masterfile database.

2.2.2.3 Band C - 5,001-10,000 SEDOL codes

Licence covering a single legal entity using between 5,001-10,000 SEDOL codes from the SEDOL Masterfile database.

2.2.2.4 Band D - More than 10,000 SEDOL codes

Licence covering a single legal entity using more than 10,000 SEDOL codes from the SEDOL Masterfile database.

2.2.3 Higher Education Licence

This licence is available to higher education institutions providing education and training for post GCSE studies – regardless of their usage levels (i.e. instead of an Entity Licence).

This Licence covers the use of the SEDOL Masterfile data for the purpose of course related work and research undertaken by students enrolled at the licence holding institution and the faculty members.

For the avoidance of doubt the licence does not cover any use of the SEDOL Masterfile data for commercial activities by students, faculty members and/or the institution itself. Such use of the SEDOL Masterfile data (for commercial activities) requires permission by the Exchange and may necessitate a User and/or Distribution licence in accordance with these Guidelines.

2.3 Defining Usage Levels

A customer is likely to have access to use SEDOL Masterfile data via their own 'in-house' systems, outsourced services or a combination of both.

Every unique SEDOL code stored, or used, throughout the company's systems should be counted by the customer for licence purposes, although under certain circumstances some codes can be discounted from the total as per the Exceptions section below.

Where the SEDOL code is being processed, it must be counted in all circumstances.

Processing includes (without limitation):

- (a) storage, adaptation or alteration of the data;
- (b) retrieval, consultation or use of the data;
- (c) disclosure of the data within the business or to third parties by transmission, dissemination or otherwise making such data available; or
- (d) combination of the data with other data.

Where the customer receives SEDOL Masterfile data from a third party vendor who is able to control the number of SEDOL codes provided, all codes received from that vendor should be counted.

As well as using the SEDOL codes to assist identification in the trading and settlement process, other examples that count as 'processed' include where the SEDOL codes are used in risk analysis, historical analysis, data mapping, code linkages etc.

Exceptions:

Where the company has stored or archived the SEDOL Masterfile data for regulatory retention purposes, as long as the company can demonstrate that there are controls in place to ensure that only named individuals can access that data for regulatory retention purposes only, then all SEDOL codes within this database can be discounted.

Where a vendor is unable to control or 'permission' the level of codes provided to the customer, codes which are not being processed, as defined above, may be discounted. However, the company would be expected within 3 months of signing their SEDOL Masterfile contract to technically demonstrate that these discounted codes are being discarded and/or archived for regulatory purposes.

Changes to the licence level due to an increase or decrease in the number of codes used will be reflected on an annual basis by returning an honesty statement to the Exchange confirming the number of SEDOL codes utilised (for further details see Section 3 Reporting Guidelines).

Examples:

- Some companies may outsource their transactions processing to a service bureau. Where the customer is passing transactions processing information to the service bureau that includes data from SEDOL Masterfile, a usage licence will be required based on the number of SEDOLs included. Where the service bureau holds the licence for the SEDOL Masterfile data, and the customer cannot

control the number of SEDOL codes that they access, only SEDOL codes being processed should be included in the count for banding purposes.

- Where a central office provides related group companies access to the SEDOL data (e.g. maintaining a central database or distribution of internal data feeds), this will fall under the meaning of usage for banding purposes with each related company requiring its own User Licence. The central office or distributing office will not need a Distribution Licence, provided it agrees to report annually all related group companies that access the data in this way and for the Exchange to have the right to audit such report. If the central office or distributing office provides non-group companies or customer access to the data then a full Distribution Licence will be required.
- Where a company is receiving data not originally sourced from the Exchange, for example from another stock exchange, if the data contains SEDOL codes an entity licence is required based on usage levels.

If a customer is unsure of the suitability of its controls, or requires any assistance determining what they are required to do to demonstrate controls, they should contact either the SEDOL Helpdesk or their Account Manager for clarification.

2.4 Distribution Licence

The Distribution Licence is available to entities (usually information vendors) wishing to re-distribute SEDOL Masterfile data to third parties. The Distribution Licence is applicable in all cases except those stated in the exceptions section in 2.11.

The Vendor Best Practice Guide is also published by the Exchange to assist Vendors ensure they are compliant with our policy, and should be read in conjunction with this document.

The vendor should be aware of the following:

- 2.4.1 The vendor must build into their systems the ability to control the distribution of SEDOL Masterfile Data to their customers (permissioning).
- 2.4.2 The vendor must stipulate in their contract with its customers that the customer is responsible for obtaining the relevant licenses, from the Exchange, for the SEDOL Masterfile data contained in the vendor product.
- 2.4.3 The vendor must provide the details of new customers to the Exchange to ensure the relevant SEDOL Masterfile licence is in place prior to the commencement of a SEDOL Masterfile enabled service.
- 2.4.4 In the event the vendor is informed by the Exchange that the customer is not taking the relevant licence, the vendor must, at the Exchange's request, cease the provision of the SEDOL Masterfile data to that customer with immediate effect.

- 2.4.5 Vendors with the ability to permission their data are obliged under the distribution contract to provide an annual list of their customers so that the Exchange may cross-check to ensure all customers are correctly licensed.
- 2.4.6 The Exchange reserves the right to perform audits to check the validity of the customer lists. In the event that a customer list is not provided, the Exchange will request an audit of that vendor. Where the vendor has technical difficulties providing the list, the Exchange's audit team will work closely with the vendor to assist licence verification.
- 2.4.7 Vendors who are technically unable to permission the SEDOL Masterfile data must provide a customer list on a quarterly basis for licence verification purposes. If the vendor is also technically unable to provide customer lists, the Exchange's audit team will work closely with the vendor to identify recipients of the Exchange's data.
- 2.4.8 The Exchange is aware that in some cases entities may wish to engage in low volume distribution of SEDOL Masterfile data i.e. distribute a lower number of SEDOL codes than the whole SEDOL Masterfile. Therefore, entities which distribute no more than 5,000 SEDOL codes from the SEDOL Masterfile data can take the Band B Distribution Licence and, no more than 1,000 SEDOL codes can take the Band A Distribution Licence, in accordance with the Bands and Charges detailed in the table at Section 2.2.

For the avoidance of doubt, entities which distribute SEDOL Masterfile data but do not fall into the low volume distribution category will be subject to the normal Distribution Licence charge.

- 2.4.9 By way of clarification, Vendors are not permitted to redistribute the SEDOL Masterfile data in the original format in which it is received. A distribution licence is granted to allow vendors to include the SEDOL Masterfile data within their products to aid identification or assist in the maintenance of their data within their client's products. It is not intended as a means to onward distribute the data in its original and "raw" state and may not be used to do so.
- 2.4.10 Vendors may not use the term "SEDOL Masterfile" to describe their own products, as this is a registered trade mark of the Exchange. However, it may be used for contractual purposes to inform Customers that a part of the data within their products was sourced from the SEDOL Masterfile, as outlined in Clause 10.2 of the Distribution Licence agreement.
- 2.4.11 Where a vendor is only distributing the SEDOL Masterfile data as contained within the UK Order Book, Fixed Interest and Gilt segments of the Infolect™ data feed, this is covered by the Infolect Licence Agreement. International Order Book segments are not covered under the Infolect Licence Agreement. The table below indicates which segments fall under the International Order Book. However, where SEDOL Masterfile data is extracted from Infolect data and used in ongoing data updates via a separate file, a User Licence will be required, and a Distribution Licence will be required for the purposes of distributing this data.

International Order Book Segments: Not covered by Infolect Licence Agreement	
IOB	International Order Book
IOBU	International Order Book (Non ISD Regulated Market)
ITBB	International Bulletin Board
ITBU	International Bulletin Board (Non ISD Regulated Market)
NSTS	Eurosets
EQS	European Quoting Service
ITR	International Trade Reporting Service

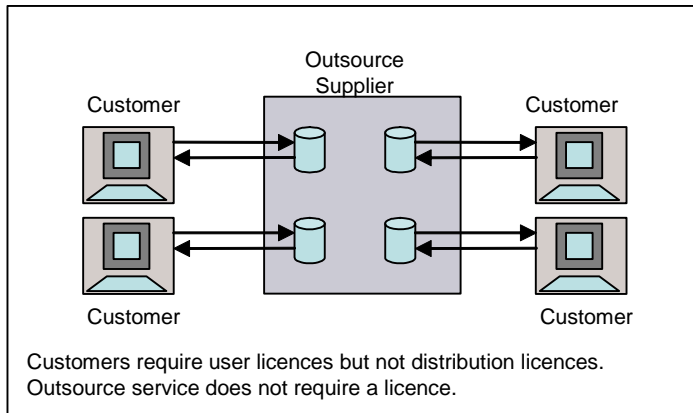
- 2.4.12 For the avoidance of doubt, a Distribution Licence will be required by a vendor who takes SEDOL Masterfile data from a third party source, in addition to the Infolect data feed.
- 2.4.13 Vendors must ensure the data is displayed correctly showing the hierarchy between the issuer, its securities and the markets they are traded on.
- 2.4.14 Where an Audit of the Vendor's services is undertaken by the Exchange's Audit Team, compliance with all points in this section will be sought. The Audit cannot be closed unless the Vendor complies with the policy..

2.5 Outsourcing Services

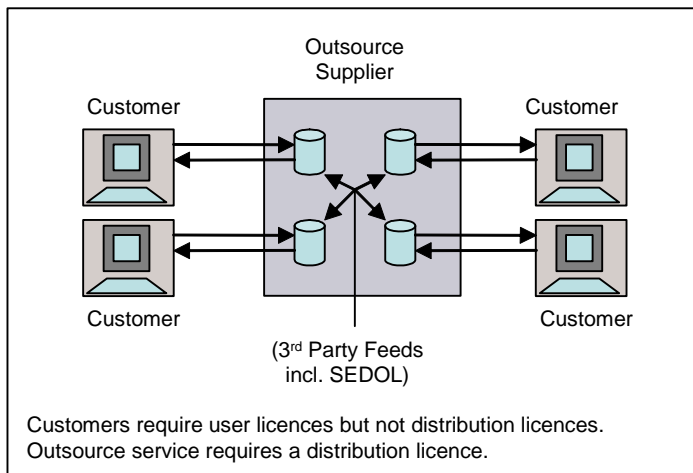
The following are examples of outsourcing models and the policies applicable to them:

- 2.5.1 Where a company has outsourced the management of their SEDOL data to a third party, a SEDOL User Licence is still required to reflect the volume of data being outsourced. However, the company will not require a Distribution Licence, provided that their outsourced data is not being accessed by any other parties at the outsourced facility.

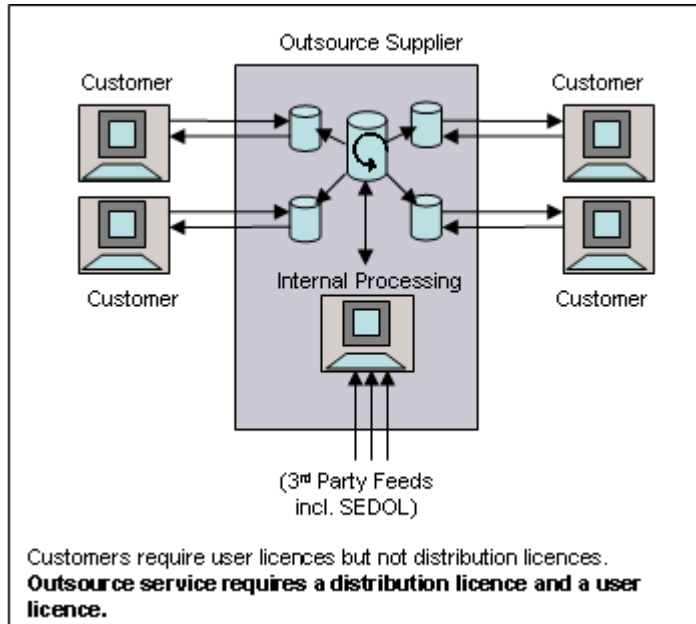
Where the company providing the outsourced services is providing hardware and/or software for the client, but does not use their client's data for any other purpose, or does not source any third party data on behalf of their client, the company providing the outsourced service is not required to hold either a User Licence or a Distribution Licence.



2.5.2 Where the company providing the outsourced services receives SEDOL data from the Exchange or a third party source, and makes this data available to their clients, a Distribution Licence will be required by that company.



2.5.3 Where the company providing the outsourced service processes the data in any way for their own purpose, a User Licence will also be required by that company based on the volume of SEDOLs being processed by the outsourcing service. For example, a licence will be required when using data for statistical compilation, prop trading or for the support of any internal function.



2.6 SEDOL Masterfile Create

Both User and Distribution Licence holders are given access to the SEDOL Masterfile Website. The website will allow companies to request the creation of new SEDOL codes.

2.7 SEDOL Masterfile History

In addition to searching on the core fields, necessary to create a security, a customer can choose to view additional information via the SEDOL Masterfile website interface and take a download of the Securities Masterfile data prior to March 2004 for which there is an additional charge.

2.8 SEDOL Masterfile Data File

The SEDOL Masterfile data file (internet download, pull FTP or SOAP interface) is available, for a fee, to entities wishing to take the SEDOL Masterfile data directly from the Exchange. Full details of this facility, including the charge, are available from the SEDOL Masterfile Sales team on: +44(0)-20-7797 3009.

2.9 Value-Add Data

The Exchange is currently in the process of sourcing and adding new data to the SEDOL Masterfile, including local codes, ticker codes and sector codes. These fields may be subject to separate/additional licence requirements, including additional charges. Further details of the data available and any associated charges will be made available prior to launch of any such data.

2.10 Corporate Action Products

Additional corporate action products are available:

- 2.10.1 Customers taking the SEDOL Masterfile Download can also take the UK Corporate Action Data feed.
- 2.10.2 The Exchange provides Corporate Actions in the ISO15022 MT564 format which can either be taken via the SWIFT network or via FTP in a flat file format.
- 2.10.3 Customers with requirements to view Corporate Actions online can take the Corporate Events Diary which diarises the events taking place and provides access to our Stock Situation Notices.
- 2.10.4 Customers with requirements to be updated in advance of updates to our Trading Database can take the Reference Data Service email service.

2.11 Exceptions to Licence Requirements

2.11.1 Excerpts of Data

User Licence holders, where they are carrying out regulated activities only, are permitted to reproduce excerpts of SEDOL Masterfile data for distribution to clients or potential clients without taking a Distribution Licence. Potential clients are persons who are contacted by a User Licence holder for the purpose and with the intention of carrying out regulated business activities on their behalf. The recipient would in most cases not be required to hold a SEDOL Masterfile usage licence simply on the basis of receiving this information (except to the extent that the recipient is databasing and updating this information). Where the activity is not regulated, distribution of excerpts of data must be agreed in advance in writing with the Exchange.

Examples of regulated activities include:

- i. a periodic portfolio valuation report (containing SEDOL Masterfile data) from a broker to a client would not require the client to hold a User Licence or the broker to hold a Distribution Licence since the broker's use will fall under Financial Services and Markets Act 2000;
- ii. if a pension fund is managed for a pension fund owner at the discretion of a third party management company, it is probable that the pension fund owner would not require a licence if their only usage of SEDOL Masterfile data was receipt of this data as part of reports i.e. daily valuations from the pension fund manager.

2.11.2 Insubstantial Usage

The Exchange reserves the right to waive the requirement to take a Usage and/or Distribution licence where qualitatively or quantitatively insubstantial elements of the

data are being used. Currently where a customer receives updates to or distributes fewer than 100 codes, this would be considered insubstantial.

2.11.3 Real Time or Delayed Price Display

It is NOT intended that those customers receiving elements of data that also appear in SEDOL Masterfile, as an incidental element of a view only real time/delayed price display, would require a licence.

Please note, this exception is for display purposes only and does not cover downloading, scraping or manual data transcription of the data from the device which would require a licence.

In addition where the SEDOL code is an incidental element of a view/read only display or paper based report e.g. the Daily official list **and** where the customer is not using the information to maintain their securities database then no licence will be payable solely on the basis of the receipt of this information.

However, where the product is a security identification reference data product, even if it is view only, that contains SEDOL then a licence is required as the customer is effectively processing (see section 2.3) a substantial extract of the SEDOL Masterfile database. For example an online copy of the SEDOL Masterfile database would require a user to hold a licence whereas the online Corporate Events Diary would not.

2.11.4 Systems Development

No charge will be payable for SEDOL Masterfile data used for the purposes of systems development (e.g. in a testing environment) provided that the use and timeframe has been agreed in writing in advance of such development with the Exchange.

2.11.5 Operations Shut Down

In the event that a business ceases to carry out regulated activity, no charge will be payable for SEDOL Masterfile data that is archived only for legal and regulatory purposes in respect of regulated activity carried out prior to such closure, provided that the SEDOL Masterfile data is not processed (see 2.3 above) for any other purposes.

2.11.6 Private Investors

Private Investors shall not require a SEDOL Licence unless exceptional circumstances apply. A Private Investor: (i) in the UK, is an individual who does not carry out a regulated activity within the meaning of the Financial Services and Markets Act 2000; or (ii) overseas (including the Republic of Ireland), is an individual who is not required to be regulated or supervised by a body concerned with the regulation or supervision of investment or financial services or, in the absence of a local regulator or supervisory

body, would not be or would not be considered to be carrying out a regulated activity if situated in the UK.

2.11.7 Termination of Contracts

In the event that a customer or vendor chooses to terminate their User and/or Distribution Licence as applicable, all SEDOL Masterfile data must be purged from the customer's or vendor's systems. Evidence demonstrating that all SEDOL codes have been removed from all systems and databases across the organisation must be provided with confirmation from the relevant vendors that no further SEDOL data is being provided. A request to cancel, with the relevant evidence, must be in writing and signed by a compliance officer, or other similar legal position, and a Chief Technology Officer (CTO), or similar IT position, and must confirm that SEDOL codes have been expunged from the user's/vendor's systems.

In the event the Exchange deems there to be insufficient evidence that the SEDOL Codes have been expunged, the Exchange reserves the right to audit the customer in line with the terms and conditions of the User or Distribution Licence. Where an audit date cannot be agreed within the 3 months termination period, the Exchange will agree to suspend the licence and related charges from the termination date until the audit takes place, and compliance has been confirmed. Where it is shown that the data continues to be stored or processed, the licence will be re-instated and back-charged accordingly.

In the event that a customer is required, post termination, to store SEDOL data for compliance with a national financial authority (e.g. the FSA) for audit purposes, the customer must state:

- what volume of SEDOL codes are being stored,
- for what purpose, for example, "in line with regulation xx of the relevant financial authority",
- for what period of time the data must be stored,
- and with what controls in place to ensure the data cannot be accessed or processed except for the purposes of an audit by the relevant financial authority,

At the discretion of the Exchange, a limited licence will be provided in good faith by the Exchange to cover the storage of the data in this event for the required period of time.

If a User and/or Distribution Licence is terminated by the Exchange and provided the customer and/or vendor is not in breach of the Licence, then upon written request the Exchange will consider in good faith providing such a customer and/or vendor with a limited licence to use SEDOL for up to six months after the termination date in order to assist such customer and/or vendor in adapting its processes and systems as applicable.

2.11.8 Downgrading Licence Bands

Where SEDOL usage for the year, as defined in section 2.3, falls beneath the volume covered by their User Licence banding, the Licence holder can request a downgrade. Details of specific actions having taken place to result in the decrease of usage volumes beneath the previously agreed levels must be provided as evidence.

A request to downgrade, with the relevant evidence, must be in writing and signed by a compliance officer, or other similar legal position, and a Chief Technology Officer (CTO), or similar IT position.

In the event the Exchange deems there to be insufficient evidence that the SEDOL usage has decreased, the Exchange reserves the right to audit the customer in line with the terms and conditions of the User or Distribution Licence. Where an audit date cannot be agreed within 3 months from the request date, the Exchange will agree to downgrade the licence accordingly until the audit takes place, and usage volumes have been confirmed. Where it is shown that the volumes have not decreased to a lower banding level, the correct licence will be re-instated and back-charged accordingly.

2.11.9 Other Data Elements

Whilst this document refers to SEDOL codes as the primary indicator of database usage, other substantial extracts of the database are also considered as usage of the database and are subject to the licence requirements as set out in these guidelines (2.2).

2.11.10 Independent Financial Advisors

Any company, entity, partnership or other organization or body, including any Independent Financial Adviser ("IFA"), with less than 3 members within their organization, in whatever capacity either employed or contracted, shall be exempt from paying the applicable SEDOL Masterfile licence fees.

For the avoidance of doubt, a company that supplies SEDOL codes to organisations with less than 3 members will not be exempt from a Distribution Licence.

3 Reporting Guidelines

There are reporting requirements for both Entity User Licence holders and Distributors of SEDOL Masterfile data.

3.1 Entity Licence Reporting Requirements

This section details the reporting requirements/process for those customers holding Entity Licences. (I.e. All User Licences other than Enterprise).

3.1.1 Honesty Statements

In order to determine the appropriate licence, customers will need to review their usage of SEDOL codes prior to signing the contract. Usage is based on a single day snapshot of the database. Honesty statements should be completed on an annual basis. The customer will be required to review their SEDOL usage and confirm/change their licence band.

Honesty Statements should be completed by customers in the month of January each year by band A-C customers. Changes to licence bands will become effective from the 1 April of that year.

It is a requirement that customers who choose a low usage licence band retain verification of the licence band chosen for a period of 7 years. Where a customer has not retained 7 years verification the Exchange reserves the right to charge at the top tier licence rate for the periods where the verification is not available.

Examples of documentation that can be kept by a customer in order to verify the licence band chosen are given below:

- i. a fund manager providing a list of instruments (utilising SEDOL Masterfile data) managed/monitored at the start and end of the licence period;
- ii. a list of active codes which are stored or accessed in support of a customer's business;
- iii. proof that SEDOL Masterfile data that is not relevant is discarded from the data feed prior to utilising/storing the information;
- iv. evidence that codes that are not utilised in the database or otherwise fall under the exemptions listed in section 2.3 Defining Usage Levels.

If SEDOL Masterfile data is held in multiple sources within an organisation and where the data is duplicated i.e. the same SEDOL code is held in more than one database then only one instance of the code should be included in the count of SEDOL codes for licence purposes.

Please note that internal dummy SEDOL codes do not need to be included in the count of SEDOL codes for licence purposes.

3.1.2 Audit Requirements

The Exchange reserves the right, with reasonable notice, to audit a customer in order to verify the licence band chosen.

The purpose of a SEDOL Masterfile data audit is to examine the controls underlying the usage of SEDOL Masterfile data by a customer in order to confirm that the correct fees are being paid to the Exchange.

Audit requirements include:

- access to, and demonstration, of all databases/sources (either direct or indirect) where SEDOL Masterfile data is utilised by the organisation;
- snapshot of current SEDOL usage as at time of the audit;
- relevant back-up to honesty statements (the Exchange can request up to 7 years back-up); and
- examination of the processes by which the incoming SEDOL Masterfile feed is managed to ensure that codes are deleted/removed/stored in a timely manner.

During the course of an audit, other specific issues may arise that require additional information.

Where the Exchange's investigation finds that the customer is using a greater number of SEDOLs than their licence band permits there are two possible outcomes:

- If the verification documentation held by the customer shows that at the time of the licence this was the correct usage band then the licence would be adjusted from the next 1 April; or
- If the verification to the honesty statement shows that the incorrect licence was taken at that point in time then the Exchange reserves the right to retrospectively charge for the correct licence.

The Exchange reserves the right to request further honesty statements throughout the year if it feels that a Customer's usage has increased significantly and charge for the revised licence band from the subsequent quarter day.

3.2 Distributors Reporting Requirements

3.2.1 Customer Returns

The vendor will provide the Exchange with a report in a format acceptable to the Exchange (see table below) on an annual basis detailing those Customers, by product that it supplies SEDOL Masterfile Data to and indicating which of its Customers are also Sub-Vendors. Where the Vendor indicates a sub-vendor then the date that the customer became a sub vendor would be required.

The Exchange considers it best practice for the vendor to supply the SEDOL Masterfile data only to those customers holding a licence. In those instances where a customer does not hold a licence, and the vendor is not able to cease permission to the unlicensed data elements, the Exchange would expect to work with the vendor and its customer in order to resolve the issue.

Below is an example of a customer list that is acceptable to the Exchange. This should be in either .xls or .csv file format.

Vendor Name								
Return Period	From To							
Customer (Co. Name)	Product	Start Date	Address 1	Address 2	City/Town	Post Code	Country	Sub Vendor (Y/N)

3.2.2 Audit Requirements

The Exchange reserves the right, with reasonable notice, to audit a distributor of SEDOL Masterfile data in order to verify the customer's they are distributing SEDOL Masterfile data to.

Audit requirements include:

- demonstrations of all products and services disseminating SEDOL Masterfile data;
- a list of customers for those products outlined above;
- access to inspect its Customer accounts records and other documents (in both hard copy and machine readable form); and

- an overview of the administrations procedures in place for the release of SEDOL Masterfile data on subscribers' user devices.

During the course of an audit, other specific issues may arise that require additional information.

Customer lists will be confidential to the Market Data Reporting and Audit Group for the purpose of administration of the SEDOL Masterfile service. These lists will not be made available to other areas of the Exchange.