

EXCHANGE CONTRACT NO. 801

IN RESPECT OF

SHORT TERM INTEREST RATE CONTRACTS

(A) CONTRACT TERMS

(Issue Date: 9 July 2004)

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD

(Issue Date: 26 October 2005)

(C) ADMINISTRATIVE PROCEDURES

(Issue Date: 3 December 1998)

Delivery Months

Three Month Sterling: <sup>1</sup>	November 2005 onwards
Three Month Euro Swiss Franc:	September 2004 onwards
Three Month Euro (EURIBOR): <sup>1</sup>	November 2005 onwards
Three Month Eurodollar	April 2004 onwards

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<sup>1</sup> Issued under London Notice No. 2699 on 26 October 2005  
Contract Details – 21 Quarterly delivery months available for trading

THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS  
EXCHANGE

(A) CONTRACT TERMS

1. Definitions

1.01 Save as otherwise specified herein, words and phrases defined in the Rules shall have the same meanings in these terms and in the Administrative Procedures.

1.02 In these terms and the Administrative Procedures:

“Administrative Procedures” means all procedures from time to time implemented by the Board pursuant to the Rules for the purposes of this Exchange Contract.

“business day” means a day on which the market, the Clearing House and banks in London are open for business.

“Contract” means a contract made expressly or impliedly in these terms for the sale and purchase of one or more lots in respect of an interest rate for a deposit in a currency, and for a period, specified by the Board in Table I, and “registered Contract” means a Contract registered by the Clearing House.

“Conversion Date” means, in respect of a Contract for an interest rate for a deposit in a currency specified by the Board in Table I, the date on which pursuant to the Third Stage of Economic and Monetary Union the conversion rate for such currency (being the currency of a participating Member State) against the euro is “irrevocably fixed” in accordance with Article 109ℓ(4) of the EC Treaty.

“delivery month” means each month specified by the Board in Table I pursuant to the Rules in respect of an interest rate for a deposit in the relevant currency and period specified by the Board in Table I.

“\$” denotes the lawful currency of the United States of America, known, at the date of the issue of these terms, as “Dollar”.

“EC Treaty” means the treaty establishing the European Community.

“EDSP” means the Exchange Delivery Settlement Price and has the meaning attributed to it in term 5.

“EDSP Rate” has the meaning attributed to it in term 5.02.

“EMU legislation” means legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise) being in part implementation of the Third Stage of Economic and Monetary Union.

“euro” means the single currency of the European Union introduced in the relevant Member State pursuant to its participation in Economic and Monetary Union in the European Union pursuant to EMU legislation.

“Fixing Convention” means, in respect of an interest rate for a deposit in a currency and for a period specified by the Board in Table I, the same convention that is applied from time to time in respect of the relevant EDSP Rate to determine the day from which such rate has value.

“interest rate basis” means, for the purposes of calculating the EDSP, the interest rate basis specified by the Board in Table I.

“Last Trading Day” means, in respect of a delivery month, the day specified by the Board in Table I (subject to terms 7 and 14).

“lot” means the unit of trading in respect of an interest rate for a deposit in a currency, and for a period, specified by the Board in Table I.

“Member State” means a member of the European Community.

“£” denotes the lawful currency of the United Kingdom, known, at the date of the issue of these terms, as “Sterling”.

“quarterly delivery month” means March, June, September or December.

“Regulations” means the General Regulations and Default Rules from time to time in force of the Clearing House.

“serial delivery month” means a delivery month other than a quarterly delivery month.

“Settlement Day” means in respect of a delivery month the first business day after the Last Trading Day.

“SFr” denotes the lawful currency of Switzerland, known, at the date of the issue of these terms, as “Swiss Franc”.

“Third Stage of Economic and Monetary Union” means the third stage of Economic and Monetary Union in the European Union, the commencement of which is governed by Article 109j of the EC Treaty.

1.03 For Contracts to which term 14 applies, references in these terms to a “lawful currency” shall be construed to include units of value of the euro which may be used validly to discharge payment obligations pursuant to the law of a jurisdiction which has introduced the euro as its lawful currency pursuant to EMU legislation and notwithstanding that such units of value of the euro may not at all material times following the Conversion Date constitute legal tender in such jurisdiction and shall not, prior to the commencement of the Third Stage of Economic and Monetary Union, include the ECU.

1.04 References to a “term” refer to terms hereof, references to “the Rules” and “the Articles” refer to the Exchange’s Rules and Articles respectively and references to “specified by the Board in Table I” means as specified in the column in Table I applicable to the relevant currency and period. Save where the context otherwise requires references herein to the singular include the plural, and vice versa. The Tables attached hereto form part of these terms. Footnotes other than the footnote to term 5.04 do not form part of this Exchange Contract and do not have legal effect except where the context implies otherwise.

2. Contract Specification

2.01 Each Contract shall be for one or more lots for the delivery month specified.

3. Price

3.01 Bids and offers shall be quoted in “Basis Points” and, where the minimum price movement is a half Basis Point as specified by the Board in Table I, half Basis Points.

3.02 One Basis Point shall be 0.01 and shall have a value equal to the Basis Point value as specified by the Board in Table I.

4. Last Trading Day

4.01 On the Last Trading Day:

- (a) trading in Contracts for the current delivery month for such Contracts shall cease at such time as may be specified in the Administrative Procedures; and

- (b) the Exchange will calculate the EDSP for such Contracts in accordance with term 5.

5. Exchange Delivery Settlement Price (“EDSP”)

5.01 This term 5 is subject to the operation of term 14.

5.02 The EDSP shall be calculated by reference to a rate (the “EDSP Rate”), specified in or pursuant to this term 5, which shall be calculated by reference to the interest rates for deposits in the relevant currency and for the relevant period specified by the Board in Table I being generally available:

- (a) in respect of Contracts to which section (a) of Table I applies, in the London interbank market at 11 a.m. London time on the Last Trading Day; and
- (b) in respect of Contracts to which section (b) of Table I applies, in the European interbank market generally at 11 a.m. Brussels time on the Last Trading Day.

5.03 In the event that an interest rate for deposits in the relevant currency, and for the relevant period, specified by the Board in Table I used for the purposes of calculating the EDSP Rate is expressed other than on the relevant interest rate basis specified by the Board in Table I, then such interest rate shall be adjusted to be on such basis for the purposes of determining the EDSP Rate.

5.04 Subject to terms 5.03 and 5.05, the EDSP Rate shall be:

- (a) in respect of Contracts to which section (a) of Table I applies, the BBA LIBOR<sup>2</sup>; and
- (b) in respect of Contracts to which section (b) of Table I applies, the EBF EURIBOR,

for deposits in the relevant currency, and for the relevant period, specified by the Board in Table I.

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<sup>2</sup> The following statement is made by the British Bankers’ Association (BBA):  
“The BBA cannot be liable for any losses arising from the non-availability of, or any error or omission in, or miscalculation of, the BBA LIBOR.”  
The same statement should be read as applicable to the BBA LIBOR when used in the calculation of the EDSP for this contract.

5.05 The Board may at its discretion resolve, prior to the commencement of the calendar month in which the Last Trading Day falls, that the EDSP Rate shall be determined by means other than that specified in term 5.04. Any such determination by the Board shall be the subject of a General Notice.

5.06 The EDSP shall be a figure calculated in accordance with the formula:

$$100.00 - R$$

where R = the EDSP Rate, save as provided in term 5.07.

5.07 Where the EDSP Rate is not an exact multiple of the minimum EDSP Price Increment specified in Table I in respect of the Contract, it will be rounded to the nearest minimum EDSP Price Increment or, where the EDSP Rate is an exact uneven multiple of half the minimum EDSP Price Increment, to the nearest lower minimum EDSP Price Increment<sup>3</sup>.

5.08 The Exchange shall publish a provisional EDSP and the final EDSP at such times as are specified in the Administrative Procedures. The final EDSP shall be final and binding for all purposes.

## 6. Payment

6.01 In respect of each lot comprised in a Contract the following payments shall be made by the time on the Settlement Day specified by the Board in the Administrative Procedures:

- (a) where the EDSP exceeds the Contract price, payment by the Seller to the Clearing House or payment by the Clearing House to the Buyer, or both (as the case may require), and
- (b) where the Contract price exceeds the EDSP, payment by the Buyer to the Clearing House or payment by the Clearing House to the Seller, or both (as the case may require),

of an amount calculated by multiplying the difference in Basis Points between the EDSP and the Contract price by the value per lot of one Basis Point as specified in term 3.02.

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<sup>3</sup> e.g. if the minimum EDSP Price Increment is 0.001% and the fourth decimal place is 5 then the rate is rounded down, e.g. an EDSP Rate of 6.1225 becomes 6.122.

7. Emergency Provisions

7.01 If, at any time after the close of trading two business days prior to the day which would have been the Last Trading Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the Last Trading Day will not be a business day, then the business day next following such day shall become the Last Trading Day in respect of that delivery month and the Exchange shall post a notice to that effect in the market.

7.02 If, at any time after the close of trading two business days prior to the day which is scheduled to be the Last Trading Day in respect of a delivery month, it becomes known to the Exchange that the day which would have been the business day immediately preceding the third Wednesday in that month will not be a business day, then this shall not affect the Last Trading Day which shall (subject to term 7.01) remain the day it was scheduled to be.

8. Default

8.01 A Buyer or Seller other than the Clearing House shall be in default where:

- (a) he fails to fulfil in accordance with these terms, the Rules and the Administrative Procedures and the Regulations his obligations under a Contract by the time and in the manner prescribed; or
- (b) he fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified in these terms or in the Administrative Procedures or under the Regulations; or
- (c) in the reasonable opinion of the Clearing House he is otherwise in default.

8.02 Subject to the Default Rules of the Clearing House, in the event of a default by a Buyer or a Seller in respect of a registered Contract, the Board shall, at the request of the Clearing House, forthwith fix a price for invoicing back and each lot in issue shall be invoiced back at that price. No dispute as to such price may be referred to arbitration. Such price may at the Board's absolute discretion take account of any compensation that the Board may consider should be paid by or to the Buyer or Seller, as applicable.

9. Force Majeure

9.01 Subject to any steps taken at any time by the Board under emergency powers in the Rules and subject to the default rules of the Clearing House, a Seller or a Buyer shall be liable to perform his obligations in respect of a lot comprised in a Contract by the due time therefor, notwithstanding that he may be or is likely to be prevented from so doing by any event beyond his reasonable control including without limitation, any act of God, strike, lockout, war, armed conflict, use of force by authority of the United Nations, fire, riot or civil commotion, combination of workmen, act of terrorism, breakdown of machinery, unavailability or restriction of computer or data processing facilities or energy supplies or bank transfer systems.

10. Articles, Rules and Regulations, etc.

10.01 Every Contract shall be subject to the Articles and the Rules and the Regulations in so far as applicable notwithstanding that either or both of the parties to it be not a member of the market administered by the Exchange or of the Clearing House.

10.02 In the case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and, in the event of any conflict between these terms and the Rules, the Rules shall prevail.

11. Arbitration

11.01 Subject to term 11.02, any dispute arising from or in relation to a Contract shall be referred to arbitration under the Rules relating to arbitration and arbitration shall be held in accordance with the Rules in force at the time of such reference.

11.02 No dispute arising from or in relation to any invoicing back price fixed by the Board under these terms shall be referred to arbitration under the Rules.

12. Governing Law

12.01 Every Contract shall be governed by and construed in accordance with English Law.

13. Non-registered Contracts

13.01 In respect of a Contract which is not a registered Contract (“non-registered Contract”) these terms shall be modified by the parties thereto so as to require and allow that a Contract to be registered with the Clearing House under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such registered Contract (and of any intermediate Contract) in accordance with these terms and the Administration Procedures. Modifications may also be made to the terms of a non-registered Contract to permit performance of such non-registered contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures. Without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-registered Contract.

14. Economic and Monetary Union

14.01 This term 14 shall only apply to the Three Month Euro (EURIBOR) Contract and to Contracts in respect of an interest rate for a deposit in a currency specified by the Board in Table I which is a lawful currency of a Member State.

14.02 In respect of a currency specified by the Board in Table I which is (or was) a currency of a Member State and which is specified in a Contract, with effect from the date falling twenty business days after the Conversion Date for such currency, and for so long as the euro is the lawful currency of such Member State and has pursuant to EMU legislation been substituted for such currency specified by the Board in Table I at an irrevocably fixed conversion rate, the calculation of the EDSP shall be made in accordance with term 5 as if, throughout term 5, “euro” is substituted for any reference to “relevant currency”.

14.03 [deleted]

14.04 In the event that the Fixing Convention in the relevant deposit market for the euro differs from that for the relevant currency, the Board may amend the Last Trading Day for all Contracts in respect of such currency deposits for such delivery months as determined by the Board, subject to a minimum notice period of twenty business days, to reflect such Fixing Convention of the euro.

- 14.05 The Board may from time to time make such other variation to the terms of this Exchange Contract (including, without limitation, to term 3) as it considers in its discretion to be necessary or desirable to reflect the existence of or to permit, require or facilitate payment in the euro.
- 14.06 Subject to term 14.01, any amendment or variation made pursuant to terms 14.04 and 14.05 shall have such effect with regard to existing and/or new Contracts as the Board may determine.
- 14.06A Without prejudice to the powers of the Board under term 14.05, following any automatic conversion of obligations from a national currency denomination of a Member State into the euro pursuant to EMU legislation, the Board may, taking due heed of the interests of the market and particularly of those members using a Contract for hedging in relation to possible changes in interest rates, amend the terms of this Exchange Contract to allow for the discharge, by cash-settlement or otherwise, of rights and obligations under each Contract in respect of an interest rate for a deposit in euro prior to the Last Trading Day for such Contract.
- 14.07 Any determination by the Board to amend or vary the terms of this Exchange Contract pursuant to terms 14.04, 14.05, 14.06 and 14.06A shall be the subject of a General Notice.

Issue Date: 9 July 2004

**(B) CONTRACT DETAILS SPECIFIED BY THE BOARD FOR SHORT TERM INTEREST RATE CONTRACTS**

**Table I: Section (a)**

<b>Contract</b>	<b>Three Month Eurodollar</b>	<b>Three Month Sterling</b>	<b>Three Month Euro Swiss Franc</b>
<b>Known as Exchange Contract No.</b>	15	16	33
<b>Currency specified by the Board</b>	Dollar \$	Sterling £	Swiss Franc SFr
<b>Period specified by the Board</b>	Three Months	Three Months	Three Months
<b>Unit of trading</b>	\$ 1 million	£ 500,000	SFr 1 million
<b>Delivery months</b>	All calendar months	All calendar months	Mar, Jun, Sep, Dec
<b>No. of delivery months available for trading<sup>1</sup></b>	20 Quarterly 4 Serial	21 Quarterly 2 Serial	8 Quarterly
<b>Basis Point value<sup>2</sup></b>	\$25.00 per lot	£12.50 per lot	SFr25.00 per lot
<b>Minimum price movement (Value)</b>	Half Basis Point (\$12.50)	One Basis Point (£12.50)	One Basis Point (SFr25.00)
<b>Minimum EDSP Price Increment</b>	0.001%	0.001%	0.001%
<b>Quotation</b>	100.00 minus rate of interest	100.00 minus rate of interest	100.00 minus rate of interest
<b>Last Trading Day</b>	Two business days prior to the third Wednesday of the delivery month	Third Wednesday of the delivery month. <sup>3</sup>	Two business days prior to the third Wednesday of the delivery month
<b>Interest rate basis</b>	Actual days/360	Actual days/365	Actual days/360

- 1 The delivery months available for trading will be the relevant number of nearest quarterly delivery months and the relevant number of nearest serial delivery months. A new delivery month is available for trading the business day after the Last Trading Day of a delivery month.
- 2 A one Basis Point change in price has a value equal to the Basis Point value. In respect of contracts for a three month period, this is equal to the change in gross interest on the unit of trading for one quarter of a year resulting from a 0.01% change in the interest rate i.e.  $\text{Basis Point value} = \frac{0.01}{100} \times \frac{3}{12} \times \text{Unit of trading}$ . In respect of contracts for a one month period, this is equal to the change in gross interest on the unit of trading for 30 days resulting from a 0.01% change in the interest rate i.e.  $\text{Basis Point value} = \frac{0.01}{100} \times \frac{30}{360} \times \text{Unit of trading}$ .
- 3 If such a day is not a business day, "Last Trading Day" shall mean the business day next following such day.

(B) CONTRACT DETAILS SPECIFIED BY THE BOARD FOR SHORT TERM INTEREST RATE CONTRACTS

**Table I: Section (b)**

<b>Contract</b>	<b>Three Month Euro (EURIBOR)</b>
<b>Known as Exchange Contract No.</b>	46
<b>Currency specified by the Board</b>	Euro €
<b>Period specified by the Board</b>	Three Months
<b>Unit of trading</b>	€ 1 million
<b>Delivery months</b>	All calendar months
<b>No. of delivery months available for trading<sup>1</sup></b>	21 Quarterly 4 Serial
<b>Basis Point value<sup>2</sup></b>	€25.00 per lot
<b>Minimum price movement (Value)</b>	Half Basis Point (€12.50)
<b>Minimum EDSP Price Increment</b>	0.001%
<b>Quotation</b>	100.00 minus rate of interest
<b>Last Trading Day</b>	Two business days prior to the third Wednesday of the delivery month
<b>Interest rate basis</b>	Actual days/360

1 The delivery months available for trading will be the relevant number of nearest quarterly delivery months and the relevant number of nearest serial delivery months. A new delivery month is available for trading the business day after the Last Trading Day of a delivery month.

2 A one Basis Point change in price has a value equal to the Basis Point value. In respect of contracts for a three month period, this is equal to the change in gross interest on the unit of trading for one quarter of a year resulting from a 0.01% change in the interest rate i.e. Basis Point value =  $\frac{0.01}{100} \times \frac{3}{12} \times$  Unit of trading. In respect of contracts for a one month period, this is equal to the change in gross interest on the unit of trading for

30 days resulting from a 0.01% change in the interest rate i.e. Basis Point value =  $\frac{0.01}{100} \times \frac{30}{360} \times$  Unit of trading.

3 If such a day is not a business day, "Last Trading Day" shall mean the business day next following such day.

Issue Date: 26 October 2005

