

PROSPECTUS - MONEP (Annexe)

American short Term Options on TRACKERS Contract specifications

<u>Option Style</u>	American style, which can be exercised at each moment		
<u>Underlying instrument</u>	The most active Trackers in terms of volume, tradable in France and quoted on Trackers segment of Euronext Paris.		
<u>Contract size</u>	An TRACKERS option contract generally relates to: 100 shares The contract value is equal to the quoted option price in Euro multiplied by the number of underlying shares.		
<u>Tick size</u>	The tick size of the premium quotation is equal at Euro 0.01		
<u>Expiration months</u>	Trackers options classes can be traded on five expiration months: two monthly, three quarterly (March, June, September and December).		
<u>Expiration date</u>	Trackers options can be traded until the third Friday of the expiration month (5:30pm CET). New expiration month are opened on the first trading day after a maturity expires. Tracker options can be traded or exercised until their expiration date: the <u>third Friday</u> of the expiration month (5:30 PM).		
<u>Strike prices intervals</u>	New expiration month are opened on the first trading day after a maturity expires. Strike prices are standardized and set at the following intervals (all amounts in euros):		
	Strikes Price (in Euros)	For the two nearest expiration months	For the other expiration months
	< at 10	Euro 0.05	Euro 0.10
	between 10 and 20	Euro 0.25	Euro 0.50
	between 20 and 50	Euro 0.50	Euro 1.00
	between 50 and 100	Euro 1.00	Euro 2.00
	> or = at 100	Euro 2.00	Euro 4.00
<u>Exercising options</u>	<p>At the opening of a new maturity:</p> <p>For the two nearest expiration months: Call and put series are listed at the three strike prices closest to the price of the underlying stock: one "at the money", two "in the money", and four "out of the money". New option series are created when the underlying stock price moves to or beyond the innermost in-the-money strike price, so that there are always at least one strike price at the money, two strike prices in the money and four strike prices out of the money for each type (call/put) of option.</p> <p>For the other expiration months: Call and put series are listed at the three strike prices closest to the price of the underlying stock: one "at the money" and two "out of the money". If the price of the underlying stock moves to equal or exceed mid-point between the at-the-money strike price and the innermost out-of-the-money strike price before expiration, new strike prices are opened so that there are always at least one strike price at the money and two strike prices out of the money for each type (call/put) of option.</p>		
<u>Trading halt</u>	When a holder exercises an option, a writer-clearing member is assigned prorata by LCH.CLEARNET SA. When exercised, an option on an underlying instrument cleared by LCH.CLEARNET SA is converted by the clearinghouse into a transaction in the underlying instrument at the strike price and for the appropriate quantity. These transactions are closed and settled in conformity with the LCH.CLEARNET SA rules. When the underlying instrument is listed on a regulated market, the transactions resulting from option exercises are settled in the same manner as trades made directly in that market. By exception, LCH.CLEARNET SA can, if circumstances require, decide to substitute cash settlement against delivery of the underlying instrument. The daily cut-off for registering exercise instructions is set at 6:45, except on expiry days up to 7.45pm. On the expiration day, in-the-money options (by reference to the underlying closing auction or the last known traded price, as adjusted for possible corporate actions) are automatically exercised, unless contrary instructions are received from the client.		
<u>Trading halt</u>	Trading in TRACKERS options is halted when the underlying TRACKERS trading has been suspended. In addition, Euronext may halt trading in the option class following lasting trading halt on the underlying TRACKERS after breaching fluctuation limits set by Euronext Paris.		

<u>Margin</u>	<p>The following approach is applied in calculating margin: For each underlying, all of a participant's positions in options are aggregated. The resulting options portfolio is then valued on the basis of a single assumption about the price fluctuation of the underlying. Participants with an overall net short position must maintain margin equal to the amount (adjusted daily) representing the position's most unfavourable liquidation value on the basis of an assumed $\pm 20\%$ fluctuation relative to the underlying TRACKERS's closing price for the day. The clearinghouse may adjust the reference fluctuation percentage, according to market conditions.</p> <p>The assets deposited as margin by Clearing Members nearby LCH.CLEARNET SA must be constituted by different kind of assets of which the list is fixed by LCH.CLEARNET SA Notice (Instruction I.5-1).</p> <p>The assets deposited as margin by customers nearby Clearing Members must be constituted by different kind of assets of which the list is fixed by a LCH.CLEARNET SA Notice (Instruction IV.5-1).</p> <p>Collateral other than cash in euros are valued daily at their exchange rate for other currencies, their market value for debt and equity securities and their net asset value for collective schemes.</p> <p>Where applicable, a discount rate ("haircut"), determined by LCH.CLEARNET SA, is applied according to the estimated price risk incurred on such collateral.</p> <p>Both the percentage of the discount and the amount involved are specified in the aforementioned notices.</p>										
<u>Quotation hours</u>	Quotation: 9:05 am - 5:35 pm CET										
<u>Fees</u>	<p>For trades on the MONEP in short-term TRACKERS options, Euronext Paris SA receives a trading fee of EUR 0.60 per contract and LCH.CLEARNET SA receives a clearing fee that varies with the transaction amount.</p> <p>The clearing fee scale is as follows:</p> <table border="1" data-bbox="395 929 1503 1086"> <thead> <tr> <th data-bbox="395 929 949 974">Transaction amount</th> <th data-bbox="949 929 1503 974">Fee percentage</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 974 949 996">Up to EUR 150 000 (excluded)</td> <td data-bbox="949 974 1503 996">0,15 %</td> </tr> <tr> <td data-bbox="395 996 949 1019">From EUR 150 000 to 750 000 (excluded)</td> <td data-bbox="949 996 1503 1019">0,10 %</td> </tr> <tr> <td data-bbox="395 1019 949 1041">From EUR 750 000 to 1 500 000 (excluded)</td> <td data-bbox="949 1019 1503 1041">0,05 %</td> </tr> <tr> <td data-bbox="395 1041 949 1086">From EUR 1 500 000</td> <td data-bbox="949 1041 1503 1086">0,025 %</td> </tr> </tbody> </table> <p>The trading fee shall not exceed 1% of the transaction amount.</p> <p>Fees are subject to applicable value-added taxes.</p>	Transaction amount	Fee percentage	Up to EUR 150 000 (excluded)	0,15 %	From EUR 150 000 to 750 000 (excluded)	0,10 %	From EUR 750 000 to 1 500 000 (excluded)	0,05 %	From EUR 1 500 000	0,025 %
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NOTE: These specifications, which apply beginning November 2004, are subject to modification.