

EXCHANGE CONTRACT NO. 56
UNIVERSAL STOCK FUTURES CONTRACT
(CASH SETTLEMENT)

CONTRACT TERMS
(Issue Date: 22 March 2007)¹

ADMINISTRATIVE PROCEDURES
(Issue Date: 9 March 2001)

Delivery months: April 2007 onwards

¹ Please refer to London Notice No. 2863, issued on 22 March 2007, in respect of changes to minimum price movement of equity derivatives contract.

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THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS
EXCHANGE

Terms of Exchange Contract No. 56

1. Interpretation

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 in 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 and the Relevant Stock Exchange are open for business.

“company” means a body corporate whose share capital includes shares (as defined below).

“Contract” means a contract made expressly or impliedly in the terms of this Exchange Contract for the sale and purchase of one or more lots, and
“registered Contract” means a Contract registered by the Clearing House.

“Conversion Date” means the date on which pursuant to Economic and Monetary Union in the European Union the conversion rate for a currency of a participating Member State against the euro is “irrevocably fixed”.

“Corporate Event” has the meaning attributed to it in term 7.01.

“Cum Entitlement” means, in respect of a share, with the right, before a date determined and published from time to time by the Relevant Stock Exchange, to any Relevant Entitlement relating thereto.

“delivery month” means each month specified as such by the Board pursuant to the Rules.

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

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

“€” denotes the single currency of the European Union introduced in a Member State as the lawful currency of that Member State pursuant to its participation in Economic and Monetary Union in the European Union known, at the date of issue of these terms, as the “euro”.

“Ex Entitlement” means, in respect of a share, without the right, on or after a date determined and published from time to time by the Relevant Stock Exchange, to any Relevant Entitlement relating thereto.

“Last Trading Day” has the meaning attributed to it in term 4.

“List of Contract Details” means the list published by the Exchange from time to time in accordance with term 2.03.

“lot” means, in respect of shares of a company specified in the List of Contract Details, the number of shares specified in that list in respect of such company.

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

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

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

“Reference Day” has the meaning attributed to it in term 2.03.

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

“Relevant Currency” has the meaning attributed to it in term 2.03.

“Relevant Entitlement” means any one or more of a cash dividend, scrip dividend, bonus issue, scrip issue, rights issue, or any other right or entitlement, attaching or accruing to, or otherwise affecting, from time to time, a share or ownership of a share.

“Relevant Reference Price” has the meaning attributed to it in term 2.03.

“Relevant Stock Exchange” has the meaning attributed to it in term 2.03.

“Settlement Day” means, in respect of a Contract for a particular company’s shares for a delivery month, the market day specified as such in the List of Contract Details.

“shares” means securities forming part of the share capital of a company which are available for trading on the Relevant Stock Exchange.

“Stock Exchange Rules” means the rules, regulations, procedures and practices from time to time in force of the Relevant Stock Exchange.

“Underlying Currency” has the meaning attributed to it in term 2.03.

- 1.03 In these terms references to “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 Member State which has introduced the euro pursuant to its participation in Economic and Monetary Union in the European Union 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 Member State.
- 1.04 Reference to a “term” refers to a term hereof and reference to a “Rule” refers to a rule of the Exchange’s Rules. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

2. Contract Specification

- 2.01 These terms shall apply to all Contracts.
- 2.02 Each Contract shall be for one or more lots for the delivery month specified.
- 2.03 A Contract for a delivery month may be entered into in respect of shares of a company which have been designated for this purpose by the Board. The Exchange shall publish from time to time a list of such shares and companies (the “List of Contract Details”) by means of a General Notice. That list shall include, for each company’s shares:
- (a) a stock exchange on which such shares are available for trading (the “Relevant Stock Exchange”);
 - (b) the currency in which such shares trade on the Relevant Stock Exchange (the “Underlying Currency”);
 - (c) the currency in which Contracts in respect of such shares shall trade (the “Relevant Currency”);
 - (d) the minimum price fluctuation;
 - (e) the minimum EDSP Price Increment;
 - (f) the number of shares comprising a lot;
 - (g) the Last Trading Day;

- (h) the time at which trading for the relevant delivery month shall cease on the Last Trading Day;
 - (i) the day on which the EDSP shall be calculated in respect of Contracts (the “Reference Day”);
 - (j) subject to terms 5.04 and 5.05, the price by reference to which the EDSP shall be calculated in respect of Contracts (the “Relevant Reference Price”);
 - (k) where applicable, the source of the conversion rate to be applied to the Relevant Reference Price pursuant to term 5.03; and
 - (l) the Settlement Day for Contracts.
- 2.04 The Board may from time to time vary, substitute or remove any of, or add to, the details contained in the List of Contract Details. Any such variation, substitution or removal of, or addition to, such details shall have such effect with regard to existing and/or new Contracts as the Board may determine and shall be the subject of a General Notice.

3. Price

- 3.01 Contracts in respect of a company’s shares shall trade in the Relevant Currency specified in the List of Contract Details. Bids and offers shall be quoted in the Relevant Currency in pence, euros or dollars per share, as the case may require, and prices shall be a whole number multiple of the minimum price fluctuation, as specified in the List of Contract Details.

4. Last Trading Day and Reference Day

- 4.01 (a) On the Last Trading Day, trading in Contracts for the relevant delivery month shall cease at such time as may be specified in the List of Contract Details.
- (b) On the Reference Day, the Exchange will calculate the EDSP in accordance with term 5.
- 4.02 Subject to terms 4.03, 4.04, 4.05 and 8.02, the Last Trading Day and the Reference Day in respect of a delivery month shall be the days specified as such in the List of Contract Details.
- 4.03 If, for Contracts in respect of a delivery month, the day specified as the Last Trading Day in the List of Contract Details is not a business day then the business day immediately preceding that day shall become the Last Trading Day for such Contracts.

4.04 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 on the day which would have been the Last Trading Day either or both of the market and the Relevant Stock Exchange will not be open for business, then the business day next following such day shall become the Last Trading Day in respect of that delivery month and the Exchange shall publish a General Notice to that effect.

4.05 Where the Relevant Reference Price is determined on a day (the “Reference Day”) other than the Last Trading Day:

- (a) if, for Contracts in respect of a delivery month, the Relevant Stock Exchange is not open for business on the day specified as the Reference Day in the List of Contract Details then the business day immediately preceding that day shall become the Reference Day for such Contracts, and the Board shall make such consequential adjustment to the date of the Last Trading Day as it considers necessary; and
- (b) if, at any time after the close of trading two business days prior to the day which would have been the Reference Day in respect of a delivery month, it becomes known to the Exchange that on the day which would have been the Reference Day either or both of the market and the Relevant Stock Exchange will not be open for business, then the business day next following such day shall become the Reference Day in respect of that delivery month,

and the Exchange shall publish a General Notice to that effect.

5. Exchange Delivery Settlement Price (“EDSP”)

5.01 Subject to terms 5.04 and 5.05, the EDSP shall be calculated by reference to the Relevant Reference Price.

5.02 The EDSP for Contracts for a particular delivery month shall be calculated by exchange officials as the Relevant Reference Price, adjusted where applicable in accordance with term 5.03, rounded to the nearest minimum EDSP Price Increment as specified by the Board in the List of Contract Details or, where the Relevant Reference Price is an exact uneven multiple of one half of the minimum EDSP Price Increment, to the nearest higher minimum EDSP Price Increment.

5.03 Where the Underlying Currency is different from the Relevant Currency, the Relevant Reference Price shall be converted to the Relevant Currency by application of the conversion rate referred to in the List of Contract Details prior to rounding being carried out in accordance with term 5.02.

- 5.04 If no Relevant Reference Price is available in respect of a delivery month, exchange officials shall fix the EDSP for such Contracts at a price determined by them, in their absolute discretion, as being consistent with cash market values of the shares the subject of such Contracts.
- 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 shall be determined by means other than that specified in term 5.01, subject always to the proviso that the EDSP shall be calculated by reference to cash market values of the shares the subject of such Contract.
- 5.06 The Exchange shall publish the EDSP at such time as may be specified for that purpose in the Administrative Procedures. The 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 specified therefor in the Administrative Procedures:

- (a) where the EDSP exceeds the Contract price, payment by the Seller to the Clearing House and payment by the Clearing House to the Buyer; and
- (b) where the Contract price exceeds the EDSP, payment by the Buyer to the Clearing House and payment by the Clearing House to the Seller,

of an amount calculated by multiplying the difference between the EDSP and the Contract price by the number of shares comprising a lot as specified in the List of Contract Details.

7. Corporate Events

- 7.01 In this term 7, "Corporate Event" shall mean:

- (a) a cash and/or scrip dividend, a bonus or scrip issue, a rights issue, a share split, subdivision or consolidation, a demerger or any other event affecting or giving rise to a right or entitlement attaching or accruing to the shares of, or ownership of shares in, a company; or
- (b) a takeover, merger or any arrangement, transaction or series of transactions which will or may result in the acquisition by any person or persons or any associated person or persons of a substantial proportion of the shares of a company; or

- (c) a change to the Underlying Currency of the shares of a company; or
- (d) any other event which, in the opinion of the Board, necessitates an amendment to be made to the terms of a Contract in respect of the shares of a company.

7.02 Where any Corporate Event occurs with respect to the shares of a company, or which affects a company whose shares are the subject of a Contract, the Board, in its absolute discretion, may, but shall not be obliged to, determine:

- (a) to make adjustments to the size of the lot and/or to the price of such lot; or
- (b) to vary, substitute or remove any of, or add to, these terms to make provision for the effect of such Corporate Event. Any such variation, substitution, removal or addition may, without limitation, be made to make provision for one or more entitlements pertaining to the shares of a company, or to alter the subject matter of the lot to reflect such Corporate Event.

7.03 Subject to term 15.01, any adjustment, variation, substitution or removal of or addition to these terms determined upon under term 7.02 will be determined in accordance with the policy of the Board from time to time in relation to Corporate Events unless the Board, in its absolute discretion, determines otherwise. The Board's policy relating to Corporate Events will be published from time to time by means of one or more General Notices. Any adjustment, variation, substitution, removal of or addition to these terms made under this term 7 shall be published in one or more General Notices and shall have such effect with regard to existing and/or new Contracts as the Board may determine.

8. Stock Suspension

8.01 If dealings in shares the subject of a Contract are suspended or prohibited by the Relevant Stock Exchange or are otherwise not permitted to be made under Stock Exchange Rules ("suspension of dealings"), any such Contract shall be performed in accordance with this term 8 and otherwise in accordance with these terms and the Administrative Procedures.

8.02 If there has been a suspension of dealings in shares the subject of a Contract and there is no Relevant Reference Price available in respect of a delivery month, the Board, in its absolute discretion, shall determine whether:

- (a) a business day other than the one which would have been the Last Trading Day shall become the Last Trading Day; and
- (b) a business day other than the one which would have been the Reference Day shall become the Reference Day,

for such Contract.

9. Default in Performance

9.01 A Buyer or a Seller shall be in default in performance where:

- (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed and in accordance with these terms, the Rules and the Administrative Procedures and the Regulations; 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 in default.

9.02 Subject to the default rules of the Clearing House, in the event of 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. Such price may at the Board's absolute discretion take account of any compensation the Board may consider should be paid by either party to the other.

10. Force Majeure

10.01 Subject to any steps taken at any time by the Board under emergency powers in the Rules, 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.

11. Articles, Rules, Regulations, etc

11.01 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 Exchange or of the Clearing House.

11.02 In 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.

12. Arbitration

12.01 Subject to term 12.02, 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.

12.02 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.

13. Governing Law

13.01 Every Contract shall be governed by and construed in accordance with English law.

14. Non-registered Contracts

14.01 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 performance of such Registered Contract (and of any intermediate Contract) in accordance with these terms and the Administrative 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.

15. Economic and Monetary Union

15.01 The Board in its absolute discretion may from time to time vary, substitute or remove any of, or add to, the terms of this Exchange Contract in order to reflect the existence of, or to permit, require or facilitate payment in, the euro pursuant to the participation of a Member State in Economic and Monetary Union in the European Union.

15.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 15.01 shall have such effect with regard to existing and/or new Contracts as the Board may determine.

15.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to terms 15.01 and 15.02 shall be the subject of a General Notice.

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Issue Date: 22 March 2007

UNIVERSAL STOCK FUTURES CONTRACT

(CASH SETTLEMENT)

Exchange Contract No. 56

Administrative Procedures

Last Trading Day

At the time specified in the List of Contract Details Trading in Contracts for the relevant delivery month shall cease.

Reference Day

As soon as reasonably practicable The Exchange will publish a provisional EDSP.

Within 60 minutes after publication of a provisional EDSP or as soon as reasonably practicable thereafter The Exchange will publish the EDSP.

Settlement Day

By 10.00 hours All payments required by term 6.01 to be made by the Buyer and the Seller shall have been completed.

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