

EXCHANGE CONTRACT NO. 201
OPTION CONTRACT ON EQUITY RELATED SECURITIES
(INCLUDING COMPANY SHARES AND EXCHANGE TRADED FUND SHARES)
Denominated in Sterling

CONTRACT TERMS - Issue Date: 18 January 2008
ADMINISTRATIVE PROCEDURES - Issue Date: 18 January 2008

Expiry Months: February 2008 onwards

Please refer to London Notice No. 2991, issued on 18 January 2008, in respect of the introduction of options based on Exchange Traded Fund Shares.

CONTENTS

Contract Terms

1. Interpretation
2. Contract Specification
- 2A. When Issued Dealing
3. Price
4. Premium
5. Exercise of an Option by a Buyer against the Clearing House and Confirmation of Exercise
6. Exercise by the Clearing House against a Seller and Confirmation of Exercise
7. Expiry
8. Delivery Contract
9. Entitlement following Exercise
10. Last Trading Day
11. Settlement Agent
12. Clearing House Delivery Notice
13. Submission of details of the Relevant Settlement System
14. Seller's Delivery Details
15. Buyer's Delivery Details
16. Delivery
17. Corporate Events
18. Suspension of securities dealing
19. Delivery Default
20. Effect of Delivery Default
21. Force Majeure
22. Rules, Administrative Procedures, etc.
23. Arbitration
24. Governing Law
25. Non-registered Contracts
26. Economic and Monetary Union

Administrative Procedures

Price

Cabinet Transactions

Settlement Procedures

Delivery Details

On the Market Day following the day Option Contracts are registered with the Clearing House, being a day on which banks in London are open for business

Exercise on any Market Day except as specified in a Notice given under term 5.02

On the Market Day following the day of Exercise of an Option

In respect of Delivery Contracts to be settled by the transfer of securities through CREST, on the CREST business day following the exercise of an option in accordance with term 5 or 6

On the Last Trading Day

On the Market Day following the Last Trading Day

In respect of Delivery Contracts to be settled by the transfer of securities through CREST, on the Settlement Day

OPTION CONTRACT ON EQUITY RELATED SECURITIES
(INCLUDING COMPANY SHARES AND EXCHANGE TRADED FUND SHARES)
Denominated in Sterling

THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS
EXCHANGE

Terms of Exchange Contract No. 201

1. Interpretation

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

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.

“Assured Payment” means, in the case of securities transferred through CREST, a system-generated payment instruction which is binding on:

- (a) the Clearing House’s settlement bank in favour of the Transferor’s settlement bank in the case of a transfer of securities from the Transferor to the Clearing House; and
- (b) the Transferee’s settlement bank in favour of the Clearing House’s settlement bank in the case of the transfer of securities from the Clearing House to the Transferee,

of an amount equal to the settlement amount for such securities.

“Buyer” in respect of an Option Contract means the person who is entitled under such Contract to exercise the option or options the subject of such Contract (including, except where the context otherwise requires, the Clearing House as buyer under a registered Contract.)

“call option” means a right, upon the exercise of which the Buyer of the call option becomes the Delivery Buyer and the Seller of the call option becomes the Delivery Seller under a Delivery Contract.

“Clearing House Notice of Exercise” means a notice from the Clearing House, in a form from time to time prescribed by the Clearing House, confirming to the Seller of an option that the Clearing House has exercised an option against the Seller.

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

“Conditional Option Contract” has the meaning attributed to it in term 2A.01.

“Contract” means an Option Contract or a Delivery Contract, as the case may be, 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 Sterling against the euro is “irrevocably fixed”.

“Corporate Event” has the meaning attributed to it in term 17.01.

“CREST” means the computerised settlement system operated by CRESTCo.

“CREST business day” means a day when CREST is operational for business.

“CREST Member” means a member of CREST with a CREST Member Account in his name.

“CREST Member Account” means a member account (as defined in the CREST Rules) maintained by CREST for the transfer of securities.

“CREST Rules” means those parts of the rules, reference manual, procedures, practices and any other document from time to time in force of CRESTCo which apply to the settlement of transactions by participants in CREST.

“CRESTCo” means CRESTCo Limited.

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

“Delivery Buyer” in respect of a Delivery Contract, means the person who is obliged to take delivery of one lot under such Delivery Contract.

“Delivery Notice” means the notice to be given by the Clearing House to a Delivery Seller and to a Delivery Buyer under term 12.

“Delivery Seller” in respect of a Delivery Contract, means the person who is obliged to make delivery of one lot under such Delivery Contract.

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

“EMU legislation” means legislative measures of the European Council, and as appropriate the United Kingdom, for the introduction of, changeover to or operation of the euro pursuant to implementation of Economic and Monetary Union including such legislative measures as are enacted in contemplation of the United Kingdom introducing the euro as its lawful currency.

“ETF shares” means shares in an Exchange Traded Fund.

“euro”, “€” and “eurocents” denote the single currency of the European Union introduced in a Member State arising out of its participation in Economic and Monetary Union.

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

“Exercise Notice” means a notice in a form from time to time prescribed by the Clearing House notifying the Clearing House that a Buyer of an option wishes to exercise an option against the Clearing House.

“exercise price” means the price specified in the Option Contract as the price of each security comprised in a lot and which shall be the price of each security to be transferred under a Delivery Contract arising on the exercise of an option the subject of such Option Contract.

“expiry month” means each month specified as such in respect of this Exchange Contract by the Board pursuant to the Rules.

“fund” means an Exchange Traded Fund which is an open-ended fund..

“Last Trading Day” has the meaning attributed to it in term 10.

“listed” means admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange.

“London Stock Exchange” means the London Stock Exchange plc.

“lot” means 1000 securities (or such other number as may be specified in a Notice from time to time) designated by the Exchange in accordance with term 2.03.

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

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

“option” means a put option or a call option.

“Option Contract” means a contract made expressly or impliedly on these terms under which one or more put options or one or more call options are bought and sold.

“Pounds”, “£”, “Pence” and “p” denote the lawful currency of the United Kingdom, known at the date of issue of these contract terms as “Sterling”.

“Premium” in respect of an option, means the amount determined in accordance with term 4.01 to be payable by the Buyer to the Seller as the consideration for the purchase of the option.

“proprietary or equitable interest” means any proprietary or equitable interest or right whatsoever including, without limitation, any such interest or right arising under or by virtue of any disposition made or purporting to be made by way of security or by way of loan and any other lien, pledge, encumbrance or equity of any kind.

“put option” means a right, upon the exercise of which the Buyer of the put option becomes the Delivery Seller and the Seller of the put option becomes the Delivery Buyer under a Delivery Contract.

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

“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 security or ownership of a security.

“Relevant Delivery Procedures” means one or more documents issued by the Clearing House from time to time relating to the settlement of securities under a Delivery Contract through the Relevant Settlement System.

“Relevant Settlement System” means CREST, or such other settlement system as specified from time to time by the Exchange by means of one or more Notices in respect of securities, through which such securities are to be transferred under a Delivery Contract.

“Rules of the Relevant Settlement System” means, in the case of CREST, the CREST Rules.

“securities” means shares or Depositary Receipts as the case may be.

“Seller” in respect of an Option Contract means the person who sells the option or options the subject of such Contract (including, except where the context otherwise requires, the Clearing House as seller under a registered Contract).

“Settlement Account” means, in the case of CREST, a CREST Member Account.

“Settlement Agent” means, in respect of the transfer of securities under a Delivery Contract through CREST, a CREST Member.

“settlement amount” in respect of a Delivery Contract, means the product of the exercise price and the number of securities comprised in the lot the subject of such Delivery Contract or, as the case may be, the product of the exercise price and the number of securities delivered at any time under such Delivery Contract.

“Settlement Day” in respect of a Delivery Contract, means the day specified as such by the Board for the settlement of Delivery Contracts which arise pursuant to terms 5.04 and 6.04.

“shares” means securities which form part of the share capital of a company or which are ETF shares, as the case may be, which in each case are listed or are the subject of when issued dealing.

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

“Transferee” means a person appointed under term 15.01(a)(i) to take a transfer of securities in respect of a Delivery Contract.

“Transferor” means a person appointed under term 14.01(a)(i) to transfer securities in respect of a Delivery Contract.

“when issued dealing” means transactions in securities which are the subject of an application for listing, entered into before and conditional upon listing becoming effective.

- 1.03 Subject to term 26.01, 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 laws of the United Kingdom once the United Kingdom 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 the United Kingdom.

1.04 References to a “term” refer to a term hereof and references to a “Rule” refer 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.

1.05 References to a person in these terms shall be construed to include references to its successors and its permitted assigns unless the Board otherwise notifies by Notice.

2. Contract Specification

2.01 Each Option Contract shall be for one or more put options or one or more call options for an expiry month and shall be at an exercise price which is authorised by the Exchange for trading for the relevant expiry month, subject to any adjustments to the exercise price made in accordance with term 17.

2.02 An option shall be for a lot, subject to any adjustment to the number of securities comprised in a lot made in accordance with term 17.

2.03 An Option Contract for an expiry month may be entered into in respect of securities which have been designated for this purpose by the Board. The Board shall publish a list of such securities by means of a Notice. The Board may from time to time determine that additions to or removals from such list shall be made and any such additions thereto or removals therefrom shall be published by means of a Notice.

2A. When Issued Dealing

2A.01 Where securities are the subject of when issued dealing pursuant to Stock Exchange Rules, an Option Contract for an expiry month may be entered into in respect of such securities if such securities have been designated for this purpose by the Board pursuant to term 2.03. Such an Option Contract shall be a Conditional Option Contract until such time as the securities are listed.

2A.02 An Option Contract which is a Conditional Option Contract may not be exercised. Upon the securities the subject of such Option Contract being listed, such Option Contract shall cease to be a Conditional Option Contract and may be exercised pursuant to these terms.

2A.03 If the securities the subject of a Conditional Option Contract are not listed, such Option Contract shall be void and shall be invoiced back at a price determined by the Board in consultation with the Clearing House. Any such determination by the Board shall have regard to any decision by the London Stock Exchange in respect of such securities.

3. Price

- 3.01 Except as specified in the Administrative Procedures in the case of cabinet transactions, bids and offers shall be quoted in Pence and prices shall be a whole number multiple of the minimum price fluctuation of 0.50p or such other amount as may be notified by the Exchange from time to time by means of a Notice.
4. Premium
- 4.01 Except as specified in the Administrative Procedures in the case of cabinet transactions, the Premium payable in respect of an option shall be the product of the price of the option and the number of securities comprised in a lot the subject of such option.
- 4.02 The Buyer shall pay the Premium to the Clearing House on the day and by the time specified for that purpose in the Administrative Procedures and the Clearing House shall pay the Premium to the Seller on the same day.
5. Exercise of an Option by a Buyer against the Clearing House and Confirmation of Exercise
- 5.01 Subject to term 2A.02, term 5.02 and to term 19, a Buyer may exercise an option in respect of an expiry month on any market day up to and including the Last Trading Day for Contracts in respect of that expiry month and shall do so by giving to the Clearing House an Exercise Notice by the time specified for that purpose in the Administrative Procedures and in a manner from time to time prescribed by the Clearing House.
- 5.02 The Exchange may from time to time publish a Notice specifying one or more market days on which options shall not be capable of being exercised under term 5.01. Any Exercise Notice given by a Buyer to the Clearing House on a market day specified in such Notice shall be invalid.
- 5.03 The Clearing House shall give to the Buyer a notice in a form from time to time prescribed by the Clearing House, on the day and by the time specified for that purpose in the Administrative Procedures, confirming which options specified in an Exercise Notice have been validly exercised by the Buyer in accordance with these terms.
- 5.04 On the day on which the Buyer has validly exercised an option and immediately upon such exercise, a “Delivery Contract” for one lot shall arise:
- (a) in the case of a call option, between the Clearing House and the Buyer as Delivery Seller and Delivery Buyer respectively; or
 - (b) in the case of a put option, between the Clearing House and the Buyer as Delivery Buyer and Delivery Seller respectively.

6. Exercise by the Clearing House against a Seller and Confirmation of Exercise
- 6.01 Subject to term 2A.02 and term 6.02, on the day on which an option is validly exercised by a Buyer, the Clearing House shall select a Seller, by such method of allocation as may be specified in the Administrative Procedures, against whom to exercise an option of the same type and at the same exercise price and for the same expiry month and shall exercise such option in a form and manner from time to time prescribed by the Clearing House.
- 6.02 If the Clearing House is unable to exercise an option against a Seller in accordance with term 6.01 on the day referred to in such term, the Clearing House shall do so as soon as possible thereafter and such option shall be deemed to have been exercised on the day referred to in term 6.01 which, for all purposes of these terms, shall be the day of exercise of such option.
- 6.03 In respect of each option exercised by the Clearing House against a Seller under this term 6, the Clearing House shall give to the Seller a Clearing House Notice of Exercise by the time specified for that purpose in the Administrative Procedures on the market day following the day of exercise of the option and in a manner from time to time prescribed by the Clearing House.
- 6.04 On the day on which the Clearing House has exercised an option against a Seller and immediately upon such exercise, a “Delivery Contract” for one lot shall arise:
- (a) in the case of a call option, between the Seller and the Clearing House as Delivery Seller and Delivery Buyer respectively, or
 - (b) in the case of a put option, between the Seller and the Clearing House as Delivery Buyer and Delivery Seller respectively.
7. Expiry
- 7.01 An option in respect of an expiry month which has not been validly exercised in accordance with term 5 or 6, as applicable, shall expire on the day and at the time specified for that purpose in the Administrative Procedures.
8. Delivery Contract
- 8.01 In respect of a Delivery Contract, the Delivery Seller is obliged to make delivery of one lot and the Delivery Buyer is obliged to take delivery thereof and to make payment of the settlement amount in accordance with term 16

and the Administrative Procedures, subject to these terms and the Administrative Procedures which shall apply thereto.

9. Entitlement following Exercise

9.01 If securities the subject of an option are Cum Entitlement on the day such option is exercised in accordance with these terms (or are deemed to be under term 25.02), the Delivery Buyer shall be entitled to receive, or to exercise, or to direct the exercise of, the Relevant Entitlement in respect of such securities which are to be delivered to him under the Delivery Contract arising pursuant to term 5.04 or 6.04, as applicable, on the exercise of such option.

10. Last Trading Day

10.01 Trading in Option Contracts for an expiry month shall cease on the Last Trading Day for such Contracts in respect of that expiry month at the time specified for that purpose in the Administrative Procedures.

10.02 Subject to term 10.03 the Last Trading Day in respect of an expiry month shall be the third Friday in that month.

10.03 If, in respect of an expiry month, the third Friday in that month is not a market day then the market day immediately preceding the third Friday shall become the Last Trading Day for Contracts in respect of that expiry month (even if such market day has already past).

11. Settlement Agent

11.01 Only a Settlement Agent with a Settlement Account at the Relevant Settlement System may be used for the purposes of making or taking delivery of securities under a Delivery Contract by transfer of securities through such Relevant Settlement System and making or receiving payment of the settlement amount under a Delivery Contract in accordance with these terms, unless these terms otherwise require or permit.

12. Clearing House Delivery Notice

12.01 On the market day immediately following the exercise of options in accordance with these terms and by the time specified for that purpose in the Administrative Procedures, the Clearing House shall give a Delivery Notice:

- (a) to the Delivery Buyer specifying the Delivery Contracts to which he is party with the Clearing House which have arisen in accordance with term 5.04 or 6.04, as the case may be, and details of the Delivery Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Delivery Buyer

and by the Clearing House to CRESTCo, in respect of Delivery Contracts which are due to be settled by the transfer of shares through CREST; and

- (b) to the Delivery Seller specifying the Delivery Contracts to which he is party with the Clearing House which have arisen in accordance with term 5.04 or 6.04, as the case may be, and details of the Delivery Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Delivery Seller and by the Clearing House to CRESTCo, in respect of Delivery Contracts which are due to be settled by the transfer of securities through CREST.

13. Submission of details to the Relevant Settlement System

13.01 In respect of Delivery Contracts to be settled by the transfer of securities through CREST, on the CREST business day following the day of exercise of an option in accordance with term 5 or 6, as the case may be, and by the time specified for that purpose in the Administrative Procedures, the details of Delivery Contracts notified to the Delivery Buyer and to the Delivery Seller pursuant to terms 12.01(a) and 12.01(b) respectively and such other details as may be required by the Relevant Delivery Procedures shall have been submitted, as required by such terms, to CRESTCo, so as to enable CREST:

- (a) in the case of the Delivery Buyer, to match the details of the Contracts submitted to it by or on behalf of the Delivery Buyer with the details of the Contracts submitted to it by the Clearing House; and
- (b) in the case of the Delivery Seller, to match the details of the Contracts submitted to it by or on behalf of the Delivery Seller with the details of the Contracts submitted to it by the Clearing House

in order that settlement of Contracts is effected through the Relevant Settlement System on the Settlement Day.

14. Seller's Delivery Details

- 14.01 (a) Where the Relevant Delivery Procedures so require, a clearing member shall give to the Clearing House, in accordance with the terms of the Relevant Delivery Procedures, details of:
- (i) the names of persons conforming with the Relevant Delivery Procedures and paragraph (b) of this term (who may include the clearing member himself) who are appointed by the clearing member to transfer securities to the Clearing House in accordance with these terms in respect of Delivery

Contracts which may be entered into by such clearing member as Delivery Seller; and

- (ii) the names of the Settlement Agents (who may include the Transferor himself) who will be used by each such person to transfer such securities and to receive payment of the settlement amount for such securities and details of their Settlement Accounts,

together with the acknowledgement described in term 14.03, if required by that term and each Transferor so appointed (other than the clearing member himself) and each Settlement Agent so appointed (whether or not the Transferor) shall act as agent for the clearing member in transferring such securities or receiving payment of the settlement amount for such securities, notwithstanding that settlement of such securities shall be made through the Settlement Account of the Settlement Agent.

- (b) The Exchange may from time to time restrict the persons or categories of persons which may be appointed as Settlement Agents or as Transferors or the types of Settlement Accounts to be used for making a transfer of securities and shall publish the details of such restrictions by means of a Notice.
- (c) The details given to the Clearing House in accordance with paragraph (a) of this term may be amended from time to time in accordance with the Relevant Delivery Procedures.

14.02 Although the Delivery Seller may under term 14.01 appoint a person other than himself as Transferor, the Delivery Seller shall himself remain responsible in respect of a Delivery Contract for delivery of the securities and the performance of all other obligations under such Contract expressed to be imposed upon the Transferor in these terms and in the Administrative Procedures. However, performance by the Transferor of those obligations expressed to be imposed upon him (including the obligation to transfer securities) in accordance with these terms and in the Administrative Procedures shall constitute due performance of the Delivery Seller's obligations under such Contract.

14.03 Except where the Delivery Seller is also the Transferor, the Delivery Seller shall by the day specified in and in accordance with the Relevant Delivery Procedures deliver to the Clearing House an irrevocable acknowledgement, in a form from time to time prescribed by the Clearing House, addressed to the Clearing House by each Transferor, acknowledging amongst other things that the obligations of the Clearing House with regard to all sums payable by it in respect of securities to be delivered by the Transferor in respect of any Delivery Contract from time to time entered into by the Delivery Seller with the Clearing House and in respect of which he is

appointed Transferor are owed to the Delivery Seller alone, and that the Transferor has no rights whatsoever against the Clearing House.

15. Buyer's Delivery Details

- 15.01 (a) Where the Relevant Delivery Procedures so require, a clearing member shall give to the Clearing House, in accordance with the terms of the Relevant Delivery Procedures, details of:
- (i) the names of persons conforming with the Relevant Delivery Procedures and paragraph (b) below (who may include the clearing member himself) who are appointed to take a transfer of securities from the Clearing House in accordance with these terms in respect of Delivery Contracts which may be entered into by such member as Delivery Buyer; and
 - (ii) the names of the Settlement Agents (who may include the Transferee himself) who will be used by each such person to take a transfer of such securities and to make payment of the settlement amount for such securities and details of their Settlement Accounts,

together with the acknowledgement described in term 15.03, if required by that term and each Transferee so appointed (other than the clearing member himself) and each Settlement Agent so appointed (whether or not the Transferee) shall act as agent for the clearing member in taking a transfer of such securities or making payment of the settlement amount for such securities, notwithstanding that the transfer of such securities shall be made through the Settlement Account of the Settlement Agent.

- (b) The Exchange may from time to time restrict the persons or categories of persons which may be appointed as Settlement Agents or as Transferees or the types of Settlement Accounts to be used for taking a transfer of securities and shall publish the details of such restrictions by means of a Notice.
- (c) The details given to the Clearing House in accordance with paragraph (a) of this term may be amended from time to time in accordance with the Relevant Delivery Procedures.

15.02 Although the Delivery Buyer may under term 15.01 appoint a person other than himself as Transferee, the Delivery Buyer shall himself remain responsible in respect of a Delivery Contract for the acceptance of a transfer of securities and the payment of the settlement amount for such securities and for the performance of all other obligations expressed to be imposed upon the Transferee in these terms and in the Administrative Procedures in respect of such Contract. However, performance by the Transferee of those

obligations expressed to be imposed upon him (including the obligations to accept transfer of securities and to pay the settlement amount) in accordance with these terms and the Administrative Procedures shall constitute due performance of the Delivery Buyer's obligations under such Contract.

15.03 Except where the Delivery Buyer is also the Transferee, the Delivery Buyer shall by the day specified in and in accordance with the Relevant Delivery Procedures deliver to the Clearing House an irrevocable acknowledgement, in a form from time to time prescribed by the Clearing House, addressed to the Clearing House by each Transferee, acknowledging amongst other things that the Transferee has no claims whatsoever against the Clearing House in respect of any delay on its part in transferring, or any failure on its part to transfer, the securities to be transferred in respect of any Delivery Contract from time to time entered into by the Delivery Buyer with the Clearing House and in respect of which he is appointed Transferee, or in respect of any other matter whatsoever concerning those securities.

16. Delivery

16.01 All securities to be transferred in respect of a Delivery Contract shall be transferred free of any proprietary or equitable interest of any person.

16.02 In respect of Contracts to be settled by the transfer of securities through CREST, a transfer of securities in respect of a Delivery Contract shall be made through CREST in accordance with the CREST Rules, these terms and the Administrative Procedures, or as otherwise required or permitted by these terms and payment for such securities shall be made in accordance with these terms, the Administrative Procedures and the CREST Rules, and the provisions of this term 16 shall be subject to the CREST Rules where applicable.

16.03 Subject to term 16.05, on the Settlement Day at or by the time specified in respect of the Relevant Settlement System and in accordance with the Administrative Procedures:

(a) the Transferor shall, in respect of Delivery Contracts to be settled by the transfer of securities through CREST, have transferred securities through CREST from the CREST Member Account of the CREST Member notified to the Clearing House in accordance with term 14.01(a) to the CREST Member Account of the Clearing House and payment of the settlement amount for such securities transferred through CREST shall have been satisfied by an Assured Payment.

(b) the Clearing House shall, in respect of Delivery Contracts to be settled by the transfer of securities through CREST, have transferred the securities through CREST from its CREST Member Account to the CREST Member Account of the CREST Member notified to the Clearing House in accordance with term 15.01(a) for the account of

the Transferee and payment of the settlement amount for such securities transferred through CREST shall have been satisfied by an Assured Payment.

- 16.04 In respect of Delivery Contracts to be settled by transfer of securities through CREST:
- (i) whether or not the Delivery Seller appoints a Transferor other than himself, and notwithstanding that such a Transferor is the Delivery Seller's agent, an Assured Payment arising upon the transfer of securities to the CREST Member Account of the Clearing House pursuant to term 16.03(a) shall discharge the Clearing House's liability to pay the settlement amount for such securities to the Delivery Seller;
 - (ii) an Assured Payment arising upon the transfer of securities pursuant to term 16.03(b) to the CREST Member Account of the CREST Member notified to the Clearing House in accordance with term 15.01(a) for the account of the Transferee shall discharge the Delivery Buyer's liability to pay the settlement amount for such securities to the Clearing House;
 - (iii) the transfer of securities by the Clearing House to or to the order of the Transferee shall discharge the Clearing House's liability to transfer such securities to the Delivery Buyer, whether or not the Transferee is the Delivery Buyer's agent; and
 - (iv) the transfer of securities by the Transferor to the Clearing House shall discharge the Delivery Seller's liability to transfer such securities to the Clearing House.
- 16.05 (a) Subject to term 18, if any transfer of securities required by term 16.03 cannot be or has not been fully accomplished on the Settlement Day at or by the time specified in respect of the Relevant Settlement System in the Administrative Procedures, due to any event occurring which is outside the control of the Transferor or of the Transferee or of the Clearing House, as the case may be, which, without prejudice to the generality of the foregoing, may include:
- (i) a failure by a seller of securities to the Transferor to make transfer of such securities by the due time so as to enable the Transferor to fulfil his obligations to transfer the securities to the Clearing House in accordance with term 16.03(a);
 - (ii) a failure by the Transferor to transfer securities to the Clearing House in accordance with term 16.03(a) so as to enable the Clearing House to fulfil its obligations to transfer securities to a Transferee in accordance with term 16.03(b);

- (iii) an error, failure, closure or suspension of the Relevant Settlement System or of other systems operated by or on behalf of the Relevant Settlement System;
- (iv) a failure or termination of the Transferor's or the Transferee's or the Clearing House's access to its Settlement Agent;
- (v) a failure of the Transferor's or Transferee's Settlement Agents or the Clearing House's access to the Relevant Settlement System for any reason, including, without limitation, as a result of any fault or failure of any computer or communication system;
- (vi) any action taken by CRESTCo, whether pursuant to the CREST Rules or otherwise; or
- (vii) any failure of, or any action or failure to take action by, a settlement bank, appointed by the Transferor, the Clearing House or the Transferee from time to time in connection with the settlement of securities through CREST, which prevents the transfer of securities to the Transferor or to the Clearing House or to the Transferee, as the case may be,

then, without prejudice to paragraphs (d)(i) and (d)(ii) of this term, such transfer or transfers shall be made as soon as possible through the Relevant Settlement System and in accordance with the Relevant Delivery Procedures in order fully to perform a Delivery Contract or, if an event occurs which prevents a transfer of securities through the Relevant Settlement System, in accordance with any instructions which may be given by the Clearing House, which may require delivery by a means other than through the Relevant Settlement System. In the case of any disagreement between the Clearing House and the Transferor or between the Clearing House and the Transferee as to whether any particular transfer can be or has been accomplished the determination of the Clearing House shall be final.

- (b) Any instructions given by the Clearing House under paragraph (a) above shall be binding and failure by the Delivery Seller or the Delivery Buyer to comply or ensure compliance with such instructions shall constitute a default under term 19.01 by such Delivery Seller or, as the case may be, such Delivery Buyer.
- (c) Where the Clearing House is unable to transfer securities in respect of a Delivery Contract to the Transferee in accordance with term 16.03 as a result of any event (other than an event referred to in term 18, which, for the avoidance of doubt, shall be dealt with under term

18) occurring which is outside the control of the Clearing House, the rights of the Delivery Buyer shall consist solely of the right to have transfer of the securities made to the Transferee as soon as possible through the Relevant Settlement System and in accordance with the Relevant Delivery Procedures or otherwise as required by these terms and as soon as possible after the Clearing House has received a transfer of such securities from the Transferor or acquired them from another person.

- (d) (i) If any transfer of securities to the Clearing House in respect of a Delivery Contract required to be made by the Transferor under term 16.03(a) or under paragraph (a) of this term is not made by the relevant time specified in the Relevant Delivery Procedures as a consequence of the occurrence of an event referred to in paragraph (a)(i) of this term; or
- (ii) if an event referred to in paragraph (a)(vii) of this term occurs which prevents a transfer of securities to the Transferor or a transfer of securities by the Clearing House to the Transferee; or
- (iii) notwithstanding the occurrence (if any) of an event referred to in paragraph (a) of this term or in term 18 at any time, if the Clearing House, in consultation with the Exchange, determines that the Delivery Seller (or the Delivery Buyer) has not used its best endeavours to transfer (or to take transfer of) securities or to procure the Transferor to transfer (or to procure the Transferee to take a transfer of) securities, as the case may be, on the Settlement Day or in accordance with paragraph (a) of this term; or
- (iv) if any transfer of securities to the Clearing House in respect of a Delivery Contract required to be made under paragraph (a) of this term (other than as a consequence of an event referred to in paragraph (a)(i) or (a)(vii) of this term) is not made as soon as possible after the Settlement Day,

then the Clearing House shall be entitled to treat the Delivery Seller or the Delivery Buyer as in default and, without prejudice to its rights under term 20 and to its powers under the Regulations, the Clearing House shall be entitled, at its absolute discretion, to take steps to acquire securities in accordance with the Relevant Delivery Procedures in order to fulfil its obligations under a Delivery Contract in whole or in part to make delivery of securities to a Delivery Buyer or to dispose of securities (where possible) delivered to it by the Delivery Seller and the Delivery Seller or the Delivery Buyer (as the case may be) in default shall indemnify the Clearing House in respect of any losses, costs, taxes or expenses suffered or incurred by

it in taking any such steps or in exercising any such rights or powers (including any losses determined in accordance with term 20.03). The Delivery Seller or the Delivery Buyer (as the case may be) who is in default shall comply with any directions given by the Clearing House.

- 16.06 (a) If as a result of any event contemplated by term 16.05(a) there is a delay in the transfer of securities in respect of a Delivery Contract and the benefit of a Relevant Entitlement to which the Transferee would have been entitled if transfer to him had taken place in accordance with term 16.03(b) (and he had retained beneficial title to the securities), is received by the Clearing House (or by the Transferor, if transfer is not made to the Clearing House by the Transferor in accordance with term 16.03(a)) then:
- (i) if the Clearing House has received the benefit of such Relevant Entitlement, or receives the benefit of such Relevant Entitlement under sub-paragraph (ii) of this term, the Clearing House shall pass on the benefit of such Relevant Entitlement which it receives to the Delivery Buyer and shall deliver to the Delivery Buyer such documents (if any) as it receives in connection therewith; and
 - (ii) if the Transferor has received the benefit of such Relevant Entitlement, the Delivery Seller shall pass on or procure that the Transferor passes on the benefit of such Relevant Entitlement which it receives to the Clearing House and shall deliver to the Clearing House such documents (if any) as it receives in connection therewith.
- (b) Any act required by paragraph (a) of this term shall be done at such time and in such manner as the Clearing House may specify.
- 16.07 If any event contemplated by term 16.05(a) occurs, the Delivery Seller or the Delivery Buyer, as applicable, shall provide to the Clearing House documentary evidence satisfactory to the Clearing House that he has complied with his obligations under a Contract to which he is party by the time and in the manner prescribed.
- 16.08 (a) The Clearing House shall give notice to the Exchange of any instructions given by it under term 16.05(a) forthwith upon giving such instructions and of any event contemplated by term 16.05(a) which may prevent or has prevented a transfer of securities in respect of a Delivery Contract upon becoming aware of any such event.
- (b) If any event contemplated by term 16.05(a) occurs, the provisions of

term 16 shall apply and the provisions of term 21 shall not apply unless, after consultation with the Clearing House, the Board determines that such circumstances have continued or are likely to continue for such duration that the provisions of term 16.05 shall no longer apply and that the provisions of term 21 shall apply. The Board's determination shall be final and binding.

16.09 Any provision of this term 16 or of any other of these terms or of the Administrative Procedures relating to procedures for settlement may be varied, or substituted by different procedures for settlement, by the Board from time to time. Any such variation or substitution shall have such effect with regard to existing and/or new Contracts as the Board may determine.

17. Corporate Actions

17.01 In this term 17, "Corporate Action" 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 securities; 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) any other event which, in the opinion of the Board, necessitates an amendment to be made to terms of an Option Contract in respect of the securities.

17.02 Where any Corporate Action occurs with respect to the securities of a company, or which affects a company whose securities are the subject of an Option 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 the subject of an option and/or to the exercise price of such option; or
- (b) to vary, substitute or remove any of, or add to, these terms to make provision for the effect of such Corporate Action. Any such variation, substitution, removal or addition may, without limitation, be made to make provision for securities in one or more companies other than the securities originally the subject of the Option Contract, or one or more entitlements pertaining to the securities of a company, or a cash amount to be transferred in addition to or in substitution for some or all of such securities to form the subject of a lot.

17.03 Subject to term 26.01, any adjustment, variation, substitution or removal of or addition to these terms determined upon under term 17.02 will be determined in accordance with the policy of the Board from time to time in relation to Corporate Actions unless the Board, in its absolute discretion, determines otherwise. The Board's policy relating to Corporate Actions will be published from time to time by means of one or more Notices. Any adjustment, variation, substitution, removal of or addition to these terms made under this term 17 shall be published in one or more Notices and shall have such effect with regard to existing and/or new Contracts as the Board may determine.

18. Suspension of securities dealing

18.01 In this term 18, "suspended securities" shall mean securities which are the subject of a suspension of dealings or securities which have been suspended from settlement through the Relevant Settlement System.

18.02 If dealings in securities the subject of an Option Contract or of a Delivery Contract arising on the exercise of an option are suspended or prohibited by the London Stock Exchange or are otherwise not permitted to be made under Stock Exchange Rules ("suspension of dealings") or securities the subject of an Option Contract or Delivery Contract are otherwise suspended securities, any such Option Contract or Delivery Contract, as the case may be, shall be performed in accordance with this term 18 and otherwise in accordance with these terms and the Administrative Procedures.

18.03 A Buyer may submit an exercise notice in respect of an option in accordance with term 5 and the Clearing House may exercise an option against a Seller in accordance with term 6, notwithstanding that the securities the subject of the option are suspended securities.

18.04 Subject to term 18.05, securities which are the subject of suspension of dealings which are required to be delivered in respect of a Delivery Contract shall be delivered through the Relevant Settlement System on the Settlement Day in accordance with these terms.

18.05 (a) If settlement of suspended securities the subject of a Delivery Contract cannot be made on or after the Settlement Day for such Contract through the Relevant Settlement System, such securities shall be delivered in accordance with any instructions which may be given by the Clearing House, which shall be final and binding, save that where the Board determines that such Delivery Contract shall be invoiced back, such Contract shall be invoiced back at a price fixed by the Board in consultation with the Clearing House. It shall not, subject to term 16.05(d)(iii), be an event of default under these terms if settlement of suspended securities is not effected on the Settlement Day, but failure by the Delivery Seller or the Delivery Buyer to

comply or ensure compliance with any instructions given by the Clearing House under this term shall constitute a default under term 19.01 by such Delivery Seller or, as the case may be, such Delivery Buyer.

- (b) The Board's determination under paragraph (a) of this term shall be final and binding and shall be published by means of a Notice.

19. Delivery Default

19.01 The Buyer or the Seller or the Delivery Buyer or the Delivery Seller, as the case may be, shall be in default where:

- (a) subject to term 16, 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;
- (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 and the Administrative Procedures;
- (c) the "bad delivery" rules or any other rules set forth in the Rules of the Relevant Settlement System are invoked with respect to the transfer of securities to the Clearing House by the Transferor appointed by the Delivery Seller to make such transfer or in respect of the transfer of securities by the Clearing House to the Transferee appointed by the Delivery Buyer to accept such transfer which may lead or leads to the reversal of one or more transfers of securities; or
- (d) in the reasonable opinion of the Clearing House he is otherwise in default under a Contract.

For the avoidance of doubt, the Delivery Seller shall be held to be in default if the "bad delivery" or such other rules referred to in paragraph (c) of this term are invoked with respect to the transfer of securities by the Transferor to the Clearing House or the transfer of securities by the Clearing House to the Transferee and notwithstanding that the Delivery Seller may not be responsible for any circumstance which leads to such "bad delivery" or such other rules being invoked.

19.02 Obvious clerical errors in any notice to be given hereunder and which can be readily rectified shall not be treated as constituting a default.

19.03 Notwithstanding a default under term 19.01, the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under term 20, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House's rights upon that or upon any subsequent

occasion, nor shall any single or partial exercise of such rights prevent any further exercise thereof or of any other right.

20. Effect of Delivery Default

20.01 The provisions of terms 20.02 to 20.05 inclusive shall be subject to the Default Rules from time to time in force of the Clearing House.

20.02 If there appears to the Clearing House to be a default by the Buyer or the Seller or the Delivery Buyer or the Delivery Seller, as the case may be, under term 19.01 in respect of any lot comprised in a registered Contract the Clearing House may take such steps as it deems appropriate to facilitate a mutually acceptable resolution of the default:

- (a) where the Buyer or the Delivery Buyer appears to be in default, between such Buyer and the Clearing House; or
- (b) where the Seller or the Delivery Seller appears to be in default, between such Seller and the Clearing House.

20.03 (a) In addition to any steps taken under term 20.02 the Clearing House may, if it appears to it that a clearing member as Seller (or as Delivery Seller) or a clearing member as Buyer (or as Delivery Buyer) is in default under term 19.01, in its sole discretion take any steps whatsoever which may appear desirable to the Clearing House for the protection of the Clearing House or of a Seller (or Delivery Seller) or Buyer (or Delivery Buyer) not in default including, without prejudice to the generality of the foregoing, the steps referred to in paragraph (b) or (c) below. Any action taken by the Clearing House pursuant to this term 20 or term 16.05 shall be without prejudice to any rights, obligations or claims of a Buyer (or a Delivery Buyer), a Seller (or a Delivery Seller), or the Clearing House and any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with taking such action or such default (or, without limitation, following the “bad delivery” or such other rules referred to in paragraph (c) of term 19.01 being invoked) shall be paid by the Buyer or the Seller (or the Delivery Buyer or the Delivery Seller, as the case may be) in default.

- (b) Where a Delivery Buyer appears to be in default under term 19.01 the Clearing House may take steps pursuant to paragraph (a) of this term to sell any or all of the securities delivered to it by a Transferor at such time and place and in such manner and on such terms as may to the Clearing House seem fit. Where the price at which such securities are sold (“the Sale Price”) is less than the amount due but unpaid by the Delivery Buyer to the Clearing House in respect of such securities (“the Unpaid Amount”), the difference between the

Sale Price and the Unpaid Amount shall forthwith on demand be paid by the Delivery Buyer in default to the Clearing House. Where the Unpaid Amount is less than the Sale Price the difference between the Unpaid Amount and the Sale Price shall (if any remain after the deduction so far as possible of such sums as are payable by the Delivery Buyer to the Clearing House hereunder or otherwise) be retained by the Clearing House to the order of the Board. The Delivery Buyer in default shall forthwith on demand pay to the Clearing House any sums payable by the Delivery Buyer pursuant to paragraph (a) of this term.

- (c) Where a Delivery Seller appears to be in default under term 19.01, or is treated as being in default under term 16.05, or, without prejudice to the foregoing, paragraph (c) of term 19.01 applies and a step taken by the Clearing House pursuant to paragraph (a) of this term or term 16.05 is to acquire securities at such time and place and in such manner and on such terms as the Clearing House thinks fit from a person other than the Delivery Seller in order to meet in whole or in part its obligations to a Delivery Buyer to make delivery of securities in respect of a Delivery Contract:
 - (i) if the total cost incurred by the Clearing House in acquiring securities, including for the avoidance of doubt the cost of any purchase of securities by the Clearing House in order to fulfil any obligations under the arrangements it has made to acquire the securities (“the Acquisition Cost”), is greater than the amount which would have been payable by the Clearing House to the Transferor in respect of the securities to have been delivered to it by the Transferor (or which, but for the application of the “bad delivery” or such other rules referred to in paragraph (c) of term 19.01 had purportedly been delivered to it by the Transferor), the Delivery Seller shall forthwith on demand pay the amount of such difference to the Clearing House; or
 - (ii) if the Acquisition Cost is less than the amount which would have been payable by the Clearing House as referred to in sub-paragraph (i) above, the amount of such difference shall (if any remain after the deduction so far as possible of such sums as are payable by the Delivery Seller to the Clearing House under sub-paragraph (iii) below or otherwise) be retained by the Clearing House to the order of the Board;
 - (iii) if the Delivery Seller delivers or attempts to deliver securities to the Clearing House under a Delivery Contract after the Settlement Day, the Clearing House shall be entitled to reject such attempted or actual delivery, or shall be entitled to sell any securities which are so delivered, as it sees fit, if the

Clearing House has made alternative arrangements to acquire securities for delivery to the Delivery Buyer; and

- (iv) the Delivery Seller shall forthwith on demand pay to the Clearing House any sums payable by the Delivery Seller pursuant to paragraph (a) of this term.
- (d) Any step taken by the Clearing House pursuant to paragraphs (a), (b) or (c) of this term shall be without prejudice to the rights of any party to refer a dispute to arbitration under term 23.

20.04 Without prejudice to its rights under terms 20.02 and 20.03, the Clearing House may refer to the Board any dispute or issue arising between the parties referred to in paragraph (a) or (b) of term 20.02 as a result of a default by a Seller (or Delivery Seller) or by a Buyer (or Delivery Buyer) under term 19.01. If, upon such reference, the Board is of the opinion that the default is of minor significance it shall determine any such dispute or issue upon such evidence as it may deem relevant and convey its findings to the Buyer and the Seller or the Delivery Buyer and the Delivery Seller, as the case may be, who shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of either party to refer the dispute or any related dispute to arbitration.

20.05 If no settlement has been reached pursuant to term 20.02 and if no steps have been taken by the Clearing House pursuant to term 20.03 and any dispute or issue between the parties referred to the Board under term 20.04 is, in the opinion of the Board, not such as may be subject to determination under term 20.04 then the Board in consultation with the Clearing House shall forthwith fix a price for invoicing back each option or Delivery Contract in respect of which the dispute or issue has arisen and each option or Delivery Contract, as the case may be, shall be invoiced back at that price. Such invoicing back price shall be final and 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 any party save that where a dispute or issue has arisen in respect of a Contract between a Seller (or a Delivery Seller) and the Clearing House and a like dispute or issue has arisen in respect of a Contract between a Buyer (or Delivery Buyer) and the Clearing House which had been matched by the Clearing House with the Contract between the Seller (or the Delivery Seller) and the Clearing House, and the dispute or issue has in each case been referred to the Board under term 20.04, the Board shall fix the same invoicing back price in respect of each Contract. Any such action taken by the Board under this term shall be without prejudice to the rights of any of the parties to refer any dispute to arbitration under term 23.

21. Force Majeure

21.01 Subject to terms 16.08(b) and 21.02 and any steps taken at any time by the Board under emergency powers in the Rules, in the event of a Seller or a Buyer or a Delivery Seller or a Delivery Buyer, as the case may be, being prevented from performing his obligations in respect of any lot comprised in a Contract by the due time therefor by any cause beyond his reasonable control (other than in circumstances to which term 18 applies) 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 such lot shall be invoiced back at a price to be fixed by the Board in consultation with the Clearing House.

21.02 In the event of a Buyer being prevented from exercising an option in respect of an expiry month on the Last Trading Day and by the time for expiry thereof as specified for that purpose in the Administrative Procedures by any event beyond his reasonable control including, without limitation, any of the circumstances specified in term 21.01:

- (i) the Buyer may give written notice to the Board specifying the option or, if more than one, the options which the Buyer was prevented from exercising, the steps taken by the Buyer to exercise an option and the events which prevented him from so doing. Any such notice shall be given to the Board as soon as is practicable after the time of expiry of an option specified in the notice and in any event no later than 10.00 hours on the market day following the Last Trading Day. The Exchange shall notify the Clearing House that it has received a notice from the Buyer under this term forthwith upon receipt of such notice; and
- (ii) if the Board is satisfied that the Buyer took all possible steps in the circumstances prevailing to exercise an option, the Board shall request the Clearing House to notify it of details of one or more options between a Seller and the Clearing House which are on the same terms (except as to the parties or the option price) as, and have been matched by the Clearing House with, the option or options specified in the Buyer's notice and shall fix a price for invoicing back. Each option the subject of the Buyer's notice and each option between the Clearing House and a Seller notified to the Board hereunder shall be invoiced back at such price, notwithstanding that such options have expired under term 7. Such price may at the Board's absolute discretion take into account the Board's assessment of the intrinsic value at the expiry thereof of such options.

22. Rules, Administrative Procedures, etc.

- 22.01 Every Contract shall be subject to the Articles and the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it be not a member of the Exchange or of the Clearing House.
- 22.02 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.
23. Arbitration
- 23.01 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.
24. Governing Law
- 24.01 Every Contract shall be governed by and construed in accordance with English law.
25. Non-registered Contracts
- 25.01 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 obligations or the exercise of rights under such registered 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 obligations or the exercise of rights under such non-registered Contract or any other non-registered Contract if, without such modifications, it may not be possible to perform such obligations or to exercise such rights by the applicable times specified in these terms and Administrative Procedures. In particular, but without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller or the Delivery Buyer or the Delivery Seller, as the case may be, and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller or the Delivery Buyer and the Delivery Seller, as the case may be, party to such non-registered Contract.
- 25.02 If the securities the subject of an option comprised in a registered Contract are Cum Entitlement (or Ex Entitlement, as the case may be) on the day such option is exercised by a Buyer party to such option, the securities the subject of a non-registered Contract shall be deemed to be Cum Entitlement (or Ex Entitlement, as the case may be) if the Buyer party to such Contract exercises the option on the market day following the exercise of the option comprised in the registered Contract and such securities have become Ex

Entitlement (or Cum Entitlement, as the case may be) on such day, and these terms shall be construed accordingly.

26. Economic and Monetary Union

26.01 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 any way which the Board considers necessary or desirable:

- (i) arising out of or in connection with, or to reflect changes in market conventions as determined by the Board as a consequence (direct or indirect) of, the introduction of the euro as the lawful currency of the United Kingdom;
- (ii) arising out of or in connection with the trading or quotation in euro of securities of a company which have been designated by the Board pursuant to term 2.03;
- (iii) to facilitate the calculation of and making of payments in euros, or to facilitate the calculation of the Price or any settlement amount, in pursuance of this Exchange Contract; or
- (iv) without prejudice to the foregoing, to require bids and offers and the minimum price fluctuation to be quoted in euros or eurocents.

26.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 26.01 shall have such effect with regard to existing or new Contracts or both as the Board may determine.

26.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to terms 26.01 and 26.02 shall be the subject of a Notice.

----- 0 -----

Issue Date: 18 January 2008

OPTION CONTRACT ON EQUITY SECURITIES
(INCLUDING COMPANY SHARES AND EXCHANGE TRADED FUND SHARES)
Denominated in Sterling

Exchange Contract No. 201

Administrative Procedures

Price

Except in the case of cabinet transactions, the minimum price fluctuation shall be 0.50 Pence or such other amount as may be notified by the Exchange from time to time by means of a Notice.

Cabinet Transactions

A Contract may have a Premium of 100 Pence per lot if entered into by one or both parties for the sole purpose of closing out an existing open position.

Settlement Procedures

All deliveries under a Contract must be made in accordance with the Rules of the Relevant Settlement System, the Contract terms, Administrative Procedures and Relevant Delivery Procedures.

Delivery Details

Where the Relevant Delivery Procedures so require, clearing members shall have given to the Clearing House in accordance with the Relevant Delivery Procedures the delivery details referred to in terms 14.01 and 15.01 in order to facilitate settlement of Delivery Contracts through the Relevant Settlement System.

On the Market Day following the day Option Contracts are registered with the Clearing House, being a day on which banks in London are open for business

By 10.00 hours Buyers will pay to the Clearing House Premiums due in respect of options the subject of Option Contracts to which they are party.

The Clearing House will pay Premiums due to Sellers in respect of options the subject of Option Contracts to which it is party as Buyer.

Exercise on any Market Day except as specified in a Notice given under term 5.02

By 17.20 hours On any market day, except any day specified in a Notice given under term 5.02 and the Last Trading Day for an expiry month, Buyers may give to the Clearing House an Exercise Notice in respect of an option for an expiry month in accordance with term 5.

By 18.30 hours On the Last Trading Day for an expiry month, Buyers may give to the Clearing House an Exercise Notice in respect of an option in accordance with term 5.

Exercise Notices received after such times will be rejected.

The Clearing House shall have selected Sellers against whom to exercise options in accordance with term 6 and shall do so on a random basis and against Sellers' gross sold positions as at the close of business on the market on the day on which one or more Buyers have exercised options in accordance with term 5 against the Clearing House.

On the Market Day following the day of Exercise of an Option

By 07.00 hours In respect of an option exercised by the Clearing House against a Seller under term 6, the Clearing House shall give a Clearing House Notice of Exercise to the Seller in a manner from time to time prescribed by the Clearing House.

By 07.00 hours The Clearing House shall have given a notice to Buyers in accordance with term 5.03 confirming which options have been validly exercised by such Buyers.

By 07.00 hours The Clearing House will issue a Delivery Notice:

(a) to the Delivery Buyer specifying the Delivery Contracts to which he is party with the Clearing House which have arisen in accordance with term 5.04 or 6.04, as the case may be, and details of the Delivery Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Delivery Buyer and by the Clearing House to CRESTCo, in respect of Delivery Contracts which are due to be settled by the transfer of securities through CREST.

(b) to the Delivery Seller specifying the Delivery Contracts to which he is party with the Clearing House which have

arisen in accordance with term 5.04 or 6.04, as the case may be, and details of the Delivery Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Delivery Seller and by the Clearing House to CRESTCo, in respect of Delivery Contracts which are due to be settled by the transfer of securities through CREST.

In respect of Delivery Contracts to be settled by the transfer of securities through CREST, on the CREST business day following the exercise of an option in accordance with term 5 or 6

By 10.00 hours The details of Delivery Contracts notified to the Delivery Buyer and the Delivery Seller pursuant to terms 12.01(a) and 12.01(b) respectively shall have been submitted, as required by such terms, to CRESTCo so as to enable CREST:

- (a) in the case of the Delivery Buyer, to match the details of the Contracts submitted to it by or on behalf of the Delivery Buyer with the details of the Contracts submitted to it by the Clearing House, and
- (b) in the case of the Delivery Seller, to match the details of the Contracts submitted to it by or on behalf of the Delivery Seller with the details of the Contracts submitted to it by the Clearing House,

in order that settlement of Contracts is effected through CREST on the Settlement Day.

On the Last Trading Day

At 18.30 hours Any option to which a Buyer other than the Clearing House is party which has not been exercised by such time shall expire.

On the Market Day following the Last Trading Day

At 07.00 hours Any option to which the Clearing House is party as Buyer which has not been exercised by such time shall expire.

In respect of Delivery Contracts to be settled by the transfer of securities through CREST, on the Settlement Day

- By 09.30 hours
- (a) Subject to term 16.05, the Transferor in respect of a Delivery Contract shall have transferred securities through CREST to the CREST Member Account of the Clearing House and payment of the settlement amount for such securities transferred through CREST shall have been satisfied by an Assured Payment; and
 - (b) subject to term 16.05, the Clearing House shall, in respect of a Delivery Contract, have transferred securities through CREST to the CREST Member Account of the CREST Member notified to the Clearing House in accordance with term 15.01(a) for the account of the Transferee and payment of the settlement amount for such securities transferred through CREST shall have been satisfied by an Assured Payment.

----- 0 -----

Issue Date: 18 January 2008