



Selection procedure for ELPS Amsterdam

April 2009

Beursplein 5 1012 JW Amsterdam The Netherlands
tel +31 20 550 5110 fax + 31 550 5101 web sites www.nyx.com

Contents

1 INTRODUCTION

2 SELECTION OF LIQUIDITY PROVIDERS

2.1. Selection process

2.1.1 Selection of PMM

2.1.2 Selection of CMM

2.2 Ranking of the candidates on the basis of the average quality score

2.2.1 The average quality score

2.2.2 Ranking in categories

2.3 Appointment of liquidity providers

3 FURTHER INFORMATION

1 INTRODUCTION

This document sets out the selection process for primary market makers (PMM) and competitive market makers (CMM) for the Amsterdam derivatives market. The rights and obligations of PMM and CMM are described in the document “NYSE Liffe’s Liquidity Provider scheme for the Amsterdam derivatives market” (referred to below as the ELPS VI - April 2009- document), which is available on our website (www.nyx.com/elps).

All option classes listed on the Amsterdam derivatives market have been grouped in class combinations named ECCs.

Candidates for the role of PMM first participate in the selection process for roles in all the classes in an ECC. During the selection process for each ECC, participants are invited to indicate, through an anonymous open auction, the obligation level they are willing to take on for maintaining two-sided markets in the capacity of PMM. Each level relates to predetermined conditions regarding spreads, order sizes and guaranteed percentage of turnover. After having finalised the PMM selection process, CMM are selected at the obligation level determined during the PMM selection.

During the selection process, a candidate may indicate that it does not wish to be assigned roles in one or more of the less liquid classes in the ECC. If enough parties wish to be assigned those particular roles, the candidate selected for the ECC does not need to take on those roles. In the case of the less liquid classes, NYSE Liffe determines the minimum number of PMM and CMM that are to be selected in each class. If the number of parties wishing to be assigned roles in the less liquid classes is insufficient, NYSE Liffe may draw lots to decide which of the candidates selected for the ECC has to take on a role for the less liquid classes. It can happen that all of the candidates selected for an ECC have to take on roles in the less liquid classes.

The appointment of a PMM or CMM is subject to the approval of the relevant clearing member and the conclusion of a PMM or CMM agreement (as appropriate). The final decision to appoint a liquidity provider rests with NYSE Liffe.

Please read this document carefully before applying for the selection process.

2 SELECTION OF LIQUIDITY PROVIDERS

All members that wish to take part in the selection process should submit an application form (Application for ELPS Amsterdam – April 2009), which is available on our website (www.nyx.com/elps).

The email addresses and telephone numbers stated on the application form will be used throughout the entire selection process.

2.1 Selection process

PMM and CMM for each ECC will be selected during the selection process. The objective is to select the published number of PMM for each ECC. However, NYSE Liffe reserves the right to select fewer PMM than published or not to select any PMM at all if it considers such action appropriate. Each member firm can only take one role (either a PMM role or a CMM role) in each class. Only one entity per group of member firms¹ may participate in the PMM auction. Applicants may indicate on their application form that they wish to become a CMM in the event that they are not selected as a PMM.

The selection process will take place over a number of days, starting with the selection of PMM for each ECC. The selection of CMM will commence once all PMM have been provisionally selected.

Each selection day will commence at 9:30 (CET) and conclude at 16:00 (CET). The day may include auctions for two ECCs in a morning session and an afternoon session.

IMPORTANT

The representatives of each participating member firm should be contactable via e-mail and by telephone using the contact details provided in the application form throughout the entire selection process. Additionally, representatives should be able to exchange fax messages with NYSE Liffe throughout the entire selection process.

The PMM selection process for each ECC will be conducted as follows.

1. Opening
2. Auction process – Session 1
3. Auction process – Session 2
4. Auction process – Session 3
5. Provisional selection of PMM for the ECC
6. Assignment of less liquid classes
7. End of the PMM selection procedure

The CMM selection process for each ECC will be conducted as follows.

1. Opening
2. Application process
3. Provisional selection of CMM
4. Assignment of less liquid classes
5. End of the CMM selection procedure

¹ A number of companies operating together and connected by intra-group (equity) interests of 50% or more, including the principle holding company.

2.1.1. Selection of PMM

Opening

To signal the opening of the selection process, the following welcome message will be sent to all participants. This message also serves to test the email connection.

“Welcome to the ELPS Selection Process”

After receiving this message, all participants applying for the role of PMM should respond immediately with the following message.

“[Company Name] OK.”

If a representative does not receive the welcome message within 15 minutes of the scheduled opening time, he/she must contact NYSE Liffe via one of the following numbers or email addresses.

telephone 1: +31 (0)20 550 5110
telephone 2: +31 (0)20 550 4855
fax: +31 (0)20 550 5101
email: ELPSAuction@liffe.com
email 2: qualityofmarkets@euronext.com

In the event of an email communication failure, NYSE Liffe may decide to communicate with a representative via fax.

Auction process

To signal the beginning of Session 1, an email message containing all the obligation levels for the relevant ECC will be sent to all participants.

Session 1 will conclude after 30 minutes, at which point a status report will be compiled and published via email. The status report will contain an anonymous list of all bids received so far in the auction.

Session 2 will commence once the status report has been published. After a further 30 minutes, an updated status report will be published.

Session 3 will commence once the updated status report has been published. The auction process will conclude after a further 30 minutes, at which point the final status report will be published.

The provisional selection of PMM will be published as soon as possible after the conclusion of the third (final) session.

Participants wishing to bid for a PMM role at one of the published obligation levels should send the following message to NYSE Liffe.

“[Company Name] agrees to comply with obligation level [Chosen Obligation Level Number] for a PMM role.”

NYSE Liffe will confirm receipt of each bid by responding with an email message to the relevant participant. In the event that confirmation is not received within 10 minutes, NYSE Liffe should be contacted via one of the numbers or email addresses indicated above.

Unconfirmed bids will not be taken into account in the auction process and will therefore be considered invalid.

If a participant does not wish to bid for one of the published obligation levels, it should indicate this in the first session by sending the following message.

“[Company Name] does not wish to subscribe for the PMM role.”

IMPORTANT

All participants must send their initial bid, or indication that they do not wish to bid, before the end of Session 1. Failure to meet this requirement will result in exclusion from the selection procedure for the relevant PMM role.

Participants may adjust their bid as often as they wish at any time during the auction process by sending the following message.

“[Company Name] adjusts its offer and agrees to comply with obligation level [Chosen Obligation Level Number] for a PMM role.”

Adjustments may only be made in order to increase the obligation level.

No adjustments will be accepted after the close of the third (final) session.

Morning and afternoon sessions

The following timetable sets out the scheduled times for morning and afternoon auctions.

Morning auction (CET)	Afternoon auction (CET)	
9:30	13:30	Opening
10:00	14:00	Session 1
10:30	14:30	Session 2
11:00	15:00	Session 3
11:30	15:30	Final status report (end of bidding sessions)
As soon as possible		Publication of provisionally selected PMM

Selection of PMM after the last bidding session

A group of member firms may not hold more than one PMM role within any one ECC.

Once the auction has been completed, PMM will be selected on basis of (i) their bids, and (ii) the extent to which the candidates have added quality to the market during the running contract period, or a predefined part hereof (see section 2.2.), as follows:

Step 1: determination of the obligation level for the ECC

The number of bids on the highest obligation level will determine the obligation level of the ECC:

- (i) if the number of bids for this obligation level equals or exceeds the maximum number of PMM (as specified in section 3), this will be the selected obligation level for the ECC.
- (ii) if the number of bids for this obligation level is less than the maximum number of PMM allowed for the ECC, the second highest level will be taken into account. If, by taking into account the second highest obligation level, the number of bids equals, or exceeds the maximum number of PMM, this second highest obligation level will be the selected obligation level for the ECC.
- (iii) if, by including the second highest obligation level the number of bids is still less than the maximum number of PMM, the procedure under point ii above is repeated for the third highest level.

- (iv) if there are fewer bids than the number of PMM roles assigned to the ECC in the highest, second highest and third highest level, bids at further levels will not be taken into consideration. In the event of this, and provided that at least one PMM can be selected after completing the selection process, the vacant roles will remain vacant until further notice.

Step 2: assessment of the bids of existing PMM

When the obligation level for the ECC is determined, a selection will be made between the candidates having submitted a bid on this level or any higher level on basis of the average quality scores of the candidates (see section 2.2.) in the most liquid class of the ECC, as follows:

- (i) existing PMM, having an average quality score in the “green zone” (see section 2.2.) will be provisionally selected for the role of PMM.
- (ii) existing PMM, having an average quality score in the “amber zone” (see section 2.2.) will only be provisionally selected for the role of PMM, if no existing CMM, having an average quality score within the “green zone” has submitted a bid on the selected level for the ECC or on a higher level. Otherwise, this/these candidate(s) will be invited to take part in a play off (hereinafter the “PMM play off candidate(s)”), and may under specific circumstances referred to in step 3 be provisionally selected without taking part in a play off.
- (iii) existing PMM, having an average quality score in the “red zone” (see section 2.2.) will not be selected, unless under specific circumstances (including, but not limited to situations in which there are no other candidates for the PMM role) another decision is taken by NYSE Liffe, at its sole discretion.

Step 3: assessment of the bids of existing CMM

- (i) existing CMM, having an average quality score in the “green zone” (see section 2.2) will be invited to take part in a play off (hereinafter the “CMM play off candidate(s)”), provided that there are PMM play off candidates (step 2 under ii). If there is only one existing CMM play off candidate, the play off will take place between this candidate and the PMM play off candidate having the lowest average quality score (the other PMM play off candidate, having the higher average quality score will be provisionally selected at this point). The number of CMM play off candidates that will be invited in the play off equals the number of PMM vacancies, after having taken the above steps. CMM play off candidates having a higher average quality score will have priority over CMM play off candidates with a lower average quality score. If there are no PMM play off candidates, and there is/ are still (a) PMM vacancy/vacancies, CMM in the “green zone” will be provisionally selected whereby the CMM having a higher average quality score has priority over a CMM with a lower average quality score.
- (ii) existing CMM, having an average quality score in the “amber zone” (see section 2.2) will not be selected, unless the only remaining candidate(s) is/are (a) PMM(s) in the “red zone” (see section 2.2), whereby the CMM having a higher average quality score will have priority over a CMM with a lower average quality score.
- (iii) existing CMM, having an average quality score in the “red zone” (see section 2.2) for the most liquid class in the ECC will not be selected, unless under specific circumstances (including but not limited to situations in which there are no other candidates for the CMM role) another decision is taken by NYSE Liffe, at its sole discretion.

Step 4: assessment of the bids of Traders

- (i) Traders will not be selected unless the only remaining candidate(s) is/are (a) PMM(s) and/or (a) CMM(s) in the “red zone”. In other words, Traders take priority after PMM having an average quality score within the “green zone” and the “amber zone” and CMM having an average quality score within the “green zone” and the “amber zone”. Traders cannot take part in a PMM play off.

Step 5: additional PMM roles

If, after having gone through the above steps, all provisionally selected candidates are PMM in the “green zone”, NYSE Liffe may make available an additional PMM role in the relevant ECC.

This role will only be made available to an existing CMM, having an average quality score in the most liquid class of the ECC within the “green zone”, and having submitted a bid on the selected obligation level of the ECC or any higher level. A CMM with a higher average quality score will have priority over a CMM with a lower average quality score. If no candidate can be selected for the additional role during the selection process, the additional role will be withdrawn and not be available anymore as a vacancy during the ELPS VI period.

Step 6: procedure to relinquish roles in the less liquid classes of the ECC

The provisionally selected candidates and the play off candidates are asked if they wish to be assigned a role in the less liquid option classes alongside the role they have been assigned in the most liquid option class within the ECC.

- i) if all the provisionally selected parties wish to be assigned such a role, they will all be assigned the role in the less liquid classes. As a rule, PMM play off candidates should participate in the less liquid classes during the play off period. The PMM play off candidate that wins the play off will have priority to be assigned the role in the less liquid classes, once the play off has ended.
- ii) if the number of provisionally selected candidates and play off candidates that wish to be assigned a role in a class is - potentially² - lower than the minimum number of PMM, NYSE Liffe will try to select one or more additional PMM. NYSE Liffe will approach other parties that have indicated an interest in the less liquid option classes (either by participating in the auction or by submitting an application form) and ask them whether they wish to be assigned one of the roles that has become available, based on the conditions set during the auction. When making its selection, NYSE Liffe will apply the following order of priority:
 1. Parties that participated in the relevant PMM auction and submitted bids for the same or higher obligation level as the provisionally selected PMM but were not selected for the role.
 2. Other parties that participated in the PMM auction and parties that did not participate in the PMM auction but indicated an interest by submitting an application form.

If two or more parties qualify for selection under this rule, the average quality score will be decisive, whereby PMM in the “amber” zone will have priority over CMM in the “green” zone.

If the number of parties wishing to be assigned a role is the same as the minimum number of PMM set by NYSE Liffe, all the parties will be selected provisionally.

² In case not all play off candidates wish to be assigned a role in the less liquid class if and when they win the play off, NYSE Liffe will proceed with trying to select (an) additional PMM(s)

If, despite approaching all the interested parties listed above, it is still impossible to select the minimum number of PMM for an option class, NYSE Liffe will assign parties from among the group of PMM provisionally selected for the ECC and the play off candidates until that minimum number is reached. This will be done by drawing lots. For all play off candidates together a number of lots will be drawn equal to the number of available roles for which the play off is organised. If necessary, lots may be drawn at the end of the play off as well.

If a PMM has relinquished its role in a less liquid option class and the number of PMM selected for that class is sufficient, the PMM still has priority in the CMM selection procedure (see section 2.2).

Step 7: play off

PMM play off

The PMM play off period will run from the first day of the new contract period and will last three entire expiry months. During the play off, the candidates will be active in the role of PMM in all the classes of the ECC (including the less liquid classes), which means (i.e.) that a PMM Market Maker Order will be made available, and that the candidates will have to comply with all PMM obligations. At the end of the play off period, the average quality score of each candidate will be determined. The available PMM role(s) will be assigned to the candidate(s) having the highest average quality score over the play off period, provided that this/these candidate(s) have met their PMM performance obligations.

End of the PMM selection procedure

The selection procedure for PMM roles will conclude once the PMM for all classes within an ECC have been provisionally selected and their company names have been published. Provisionally selected candidates will be formally appointed once the appropriate clearing member statement has been submitted and a formal PMM agreement has been signed. NYSE Liffe will send clearing member statement forms to the relevant clearing members, indicating the ECC/classes for which their clients have been provisionally selected.

2.1.2 Selection of CMM

The CMM selection procedure will commence once the PMM selection procedure has been completed. CMM will initially be selected for the entire ECC.

Opening

To signal the opening of the CMM selection process in an ECC, the following welcome message will be sent at 9:30 (CET) to all participants involved in the selection process. This message also serves to test the email connection.

“Welcome to the ELPS Selection Process”

After receiving this message, all participants applying for the role of CMM for the relevant ECCs should respond immediately with the following message.

“[Company Name] OK”

Representatives taking part in the selection process on behalf of a number of different member firms should send a separate response for each member firm.

If a representative does not receive the welcome message within 15 minutes of the scheduled opening time, he/she must contact NYSE Liffe via one of the following numbers or email addresses.

telephone 1: +31 (0)20 550 5110
telephone 2: +31 (0)20 550 4855
fax: +31 (0)20 550 5101
email: ELPSAuction@liffe.com
email 2: qualityofmarkets@euronext.com

In the event of an email communication failure, NYSE Liffe may decide to communicate with a representative via fax.

Application process

To signal the beginning of the process, an email containing the obligation levels for all ECCs to which the provisionally selected PMM have subscribed will be sent to the participants that have indicated that they wish to apply for a CMM role in the relevant ECC.

- All participants wishing to apply for a CMM role in an ECC must send the following message.

“[Company Name] applies for a CMM role in ECC: [ECC of your choice] and agrees to comply with the obligation level.”

- Participants that do not wish to apply for a CMM role in an ECC need to confirm this by sending the following message.

“[Company Name] does not wish to apply for a CMM role in ECC: [ECC of your choice].”

Applications received after the published deadline will not be taken into account.

NYSE Liffe will confirm receipt of each application by responding with an email message to the relevant participant. In the event that confirmation is not received within 10 minutes, NYSE Liffe should be contacted via one of the numbers or email addresses indicated above.

Unconfirmed applications will not be taken into account in the auction process and will therefore be considered invalid.

NYSE Liffe will now assess all CMM applications.

Selection of CMM

A group of member firms can only be assigned one Liquidity Provider role, regardless of the role, within an ECC, except in either of the following circumstances:

- (i) if the members within the group of member firms currently hold a Liquidity Provider role within the same Class and wish to prolong their contracts. In such situations, the group of member firms may be assigned a second or a third role, provided that the average quality score of the existing Liquidity Providers is within the “green zone”.
- (ii) if roles are still vacant following the selection procedure. In such situations, the group of member firms may be assigned a second role within the same class, regardless of the role.

As mentioned in paragraph 2.1.1 a group of member firms may not hold more than one PMM role within any Class.

During the PMM selection procedure PMM may relinquish roles in less liquid classes. Provided the number of PMM selected for the relevant class is sufficient, any PMM that relinquished roles in the class still have priority in the CMM selection procedure for that class, except in cases in which the PMM has an average quality score in that class within the “red zone”.

As a rule, other CMM will be selected for the entire ECC.

Step 1: assessment of the CMM applications

The CMM applications will be assessed as follows:

- (i) existing PMM, having an average quality score in the “green zone”, or in the “amber zone” and existing CMM, having an average quality score in the “green zone” will be provisionally selected for the role of CMM.
- (ii) existing CMM, having an average quality score in the “amber zone” will only be provisionally selected for the role of CMM, if no Trader has subscribed on the selected level for the ECC or on a higher level. Otherwise, this/these candidate(s) will be invited to take part in a CMM play off. If there is only one such Trader, the CMM play off will take place between this Trader candidate and the CMM candidate having the lowest average quality score (the other CMM candidate will be selected at this point). The number of CMM candidates that will be invited in the play off equals the number of CMM vacancies, after having taken the above steps. CMM candidates having a higher average quality score will have priority over CMM candidates with a lower average quality score³.
- (iii) if there are no CMM candidates for the CMM play off and there is/are still (a) vacancy/vacancies, the Trader(s) will be provisionally selected.
- (iv) existing PMM and CMM, having an average quality score in the “red zone” will not be selected, unless under specific circumstances (including but not limited to situations in which there are not other candidates for the CMM role) another decision is taken by NYSE Liffe, at its sole discretion.

CMM play off

The play off period will run from the first day of the new contract period and will last three entire expiry months. During the play off, the candidates (“CMM play off candidates”) will be active in the role of CMM in all the classes of the ECC (including the less liquid classes), which means (i.e.) that a CMM Market Maker Order will be made available, and that the candidates will have to comply with all CMM obligations. At the end of the play off period, the average quality score of each candidate will be determined. The available CMM role(s) will be assigned to the candidate(s) having the highest average quality score over the play off period, provided that this/these candidate(s) have met their CMM performance obligations.

Step 2 additional CMM roles

If all provisionally selected candidates are current CMM in the “green zone”, NYSE Liffe may make available an additional CMM role in the relevant ECC.

³ As a consequence of the mechanics described under sub i and ii, additional CMM roles may need to be made available.

Step 3 procedure to relinquish roles in the less liquid classes of the ECC

The selected candidates are asked if they wish to be assigned a role in the less liquid option classes alongside the role they have been assigned in the most liquid option class within the ECC.

- i) If all the selected parties wish to be assigned such a role, they will all be assigned the role in the less liquid classes. As a rule, CMM play off candidates should participate in the less liquid classes during the play off period. The CMM play off candidate that wins the play off will have priority to be assigned the role in the less liquid classes, once the play off has ended.
- ii) If the number of provisionally selected candidates that wish to be assigned a role in a class is lower than the minimum number of CMM, NYSE Liffe will try to select one or more additional CMM. NYSE Liffe will approach other parties that have indicated an interest in the less liquid option classes (either by participating in the CMM selection process or by submitting an application form) and ask them whether they wish to be assigned one of the roles that has become available, based on the conditions set during the auction. When selecting between them, NYSE Liffe will apply the following order of priority.
 1. Parties that participated in the CMM selection process but were not selected for the role.
 2. Other parties that did not participate in the CMM selection process but indicated an interest by submitting an application form.

If the number of CMM applications received for a particular class exceeds the maximum number of roles for that class as published by NYSE Liffe, the average quality score as determined under section 2.2 is decisive.

If the number of parties wishing to be assigned a role is the same as the minimum number of CMM set by NYSE Liffe, all the parties will be selected provisionally.

If, despite approaching all the interested parties listed above, it is still impossible to select the minimum number of CMM for an option class, NYSE Liffe will assign parties from among the group of CMM provisionally selected for the ECC until that minimum number is reached. This will be done by drawing lots. For all CMM play off candidates together a number of lots will be drawn equal to the number of available roles for which the play off is organised. If necessary, lots may be drawn at the end of the play off as well.

The provisional selection of CMM will be announced by email to all the participants on the day of the selection process (dead lines will be announced during the selection procedure).

End of the CMM selection procedure

The selection procedure for CMM roles will conclude once the CMM have been provisionally selected and their company names have been published. Provisionally selected candidates will be appointed as CMM once the appropriate clearing member statement has been submitted and a formal CMM agreement has been signed. NYSE Liffe will send clearing member statement forms to the relevant clearing members, indicating the ECC/classes for which their clients have been provisionally selected.

The following timetable sets out the scheduled times for the CMM selection procedure.

Day	Session	Time	Description
1	Opening	9:30	Opening message.
1	Applications	10:00 - 12:00	Members should apply for CMM roles after receiving obligations for relevant ECC(s).
1	Assessment	12:00 - 16:00	NYSE Liffe will assess all CMM applications.
1	End of day	16:00	Confirmations will be sent to all participants stating for which ECC a member has been selected and for which ECC one has not been selected.
2	Opening	9:30	Opening message.
2	Confirmation	10:00	NYSE Liffe will confirm the ECC(s) in which one has been selected CMM.
2	Less liquid	10:00 - 11:00	Members should indicate for which less liquid classes classes they wish to relinquish the CMM role.
2	Assessment	11:00 - 12:00	NYSE Liffe will assess the number of CMM for each less liquid class.
2	Class CMM	12:00 – 15:00	NYSE Liffe will select CMM on class level if applicable (mainly by phone).
2	End of day	16:00	Final confirmation to all selected CMM.

At the end of the trading day an Info Flash will be sent to all market participants with a list of all selected Liquidity Providers.

2.2 Ranking of the candidates on the basis of the average quality score

When NYSE Liffe needs to make a selection between candidates that have submitted a bid on the selected obligation level or any higher level, or have applied for a role where the number of liquidity providers is restricted, it carries out an assessment, whereby the extent to which a candidate has added value to the quality of the market during the previous contract period, or a predefined part hereof (hereinafter referred to as the “quality assessment period”) is decisive.

For the purpose of this assessment, an average quality score is determined for each candidate and for each option class, on the basis of the daily quality scores in the quality assessment period, which have been calculated using the algorithm described in “Quality Formula, version 2.0”, available on the website www.nyx.com/elps.

2.2.1 The average quality score

The average quality score for each option class is calculated as follows:

1. For existing PMM in the relevant option class, the average is taken of all daily quality scores, leaving out the 16 lowest scores of the quality assessment period.*
2. For existing CMM in the relevant option class, the average is taken of all daily quality scores, leaving out the 20 lowest daily quality scores of the assessment period.*

* In case the quality assessment period is less than one year, a pro rata number of scores will be discarded. Also, NYSE Liffe may decide to exclude more days from the final results due to market circumstances.

2.2.2. Ranking in categories

The “green zone”

PMM in AEX, having an average quality score that equals or exceeds 57.50 are in the “green zone”, for this option class. PMM in equity options, having an average quality score that equals or exceeds 72.50 are in the “green zone” for these options classes.

CMM in AEX, having an average quality score that equals or exceeds 57.50 are in the “green zone” for this option class. CMM in equity options, having an average quality score that equals or exceeds 62.50 are in the “green zone” for these option classes.

The “amber zone”

PMM in AEX, having an average quality score of 47.50 up to 57.50 are in the “amber zone”, for this option class. PMM in equity options, having an average quality score of 47.50 up to 72.50 are in the “amber zone” for these options classes.

CMM in AEX, having an average quality score of 47.50 up to 57.50 are in the “amber zone” for this option class. CMM in equity options, having an average quality score of 47.50 up to 62.50 are in the “amber zone” for these option classes.

The “red zone”

PMM in AEX, having an average quality score below 47.50 are in the “red zone”, for this option class. PMM in equity options, having an average quality score below 47.50 are in the “red zone” for these options classes.

CMM in AEX, having an average quality score below 47.50 are in the “red zone” for this option class. CMM in equity options, having an average quality score below 47.50 are in the “red zone” for these option classes.

Miscellaneous

PMM and CMM that have not participated in the scheme during the entire assessment period will be categorized as follows:

For PMM and CMM that have participated for at least 2/3 of the assessment period, the average quality score will be calculated over the period of their participation, whereby a pro rata number of daily scores will be discarded in line with section 2.2.1.above. These participants will subsequently be ranked in the categories mentioned in 2.2.2.

PMM and CMM that have participated for less than 2/3 of the assessment period will be categorized in “amber zone”, at the lowest possible score for the relevant role in the relevant option class (the “baseline candidates”). Baseline candidates having participated in the scheme for a longer period will have priority over baseline candidates that have participated for a shorter period of time.

2.3 Appointment of liquidity providers

On the final day of the selection process, NYSE Liffe will send a message to all the participants detailing the number of PMM and CMM roles provisionally selected in each ECC.

Roles will be formalized subject to the following:

- The submission of a clearing member statement granting approval for the role to which the participant has subscribed⁴, and
- The signing of a formal PMM or CMM agreement, as appropriate, setting out the benefits and obligations of the PMM or CMM

Details of all liquidity providers and their obligation levels will be formally announced once all the above conditions have been met.

IMPORTANT NOTE

NYSE Liffe wishes to emphasize that all bids and applications made by member firms during the selection procedure are final. It is therefore the responsibility of each member firm to obtain approval from its clearing member before subscribing to a certain obligation level.

NYSE Liffe may declare the selection of a PMM or CMM invalid if the relevant clearing member statement is not submitted or the relevant liquidity provider agreement is not signed within the period stated in the covering letter that accompanies the liquidity provider agreement.

NYSE Liffe reserves the right to exclude a member firm from the selection procedure if it transpires that it submitted a bid or application without obtaining approval from its clearing member. In such cases, NYSE Liffe reserves the right to exclude such members from participating in the selection procedure for the next three ECCs.

In cases that are not expressly covered by this document, NYSE Liffe will endeavour to act within the spirit of the procedure and always in the interest of ELPS.

⁴ NYSE Liffe will provide each liquidity provider that has been provisionally selected with a clearing member statement for it to send to its clearing member for signing. The form will be sent to member firms after all the liquidity providers have been selected

3 FURTHER INFORMATION

If you have any questions, please call our sales and account management on +31 (0)20 5505315 or send an email to amsterdamsales@liffe.com.

Disclaimer

The **NYSE Euronext Derivatives Markets** (“**NYSE Liffe**”) comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group. Whilst all reasonable care has been taken to ensure that this document is accurate and not misleading, neither Euronext N.V. nor any of its group companies shall be liable (except to the extent required by law) for the use of the information howsoever arising. Euronext N.V. expressly disclaims all warranties, expressed or implied, as to the accuracy of any of the content provided, or as to the fitness of the information for any purpose.