

NYSE Liffe Trading Procedures

Issue Date: **7 September 2009**
Effective: **7 September 2009**¹

¹ Please refer to Amsterdam Notice No. 09/011, issued on 6 August 2009, Brussels Notice No. 09-020, Paris Notice No. 2009 – 024, Lisbon Notice No. 699/09 and London Notice No. 3192, issued on 26 August 2009 (Implementation of the Pricing and Settlement System (“PSS”)).

TABLE OF CONTENTS

PART ONE NYSE Liffe

Section 1 General

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Compliance with the Rules and conduct

Section 2 The Operation of LIFFE CONNECT®

- 2.1 Price limits
- 2.2 Settlement prices – Futures Contracts
- 2.3 Settlement prices – Options Contracts
- 2.4 Emergency termination of a trading session and subsequent resumption

Section 3 Trading on LIFFE CONNECT®

- 3.1 The Responsible Person
- 3.2 Entering orders and making acceptances
- 3.3 Making of trades
- 3.4 Pre-negotiated business and Cross Transactions
- 3.5 Trade invalidation
- 3.6 Error Correction Facility
- 3.7 Pre-negotiation Correction Facility
- 3.8 Strategy trades
- 3.9 Delta neutral strategy trades

Section 4 Common Trading Facilities

- 4.1 Stock Contingent Trades
- 4.2 Basis Trading
- 4.3 Asset Allocations
- 4.4 Against Actuals
- 4.5 Block Trades

PART TWO Non-Harmonised and Market-Specific Provisions

Section 1 Trading Procedures in relation to The Brussels Market

- B.1 Application of Section 1
- B.2 Purge of the Central Order Book
- B.3 General system failure
- B.4 “Trading without LIFFE CONNECT®”
- B.5 Account type identifier
- B.6 Deleted
- B.7 Liquidity Providers

B.8	Deleted
B.9	Deleted
B.10	Deleted
B.11	Order removal at a Member's request
B.12	Trade Invalidation
B.13	Deleted
B.14	Deleted
B.15	Deleted
B.16	Deleted
B.17	Deleted
B.18	Deleted

Section 2 Trading Procedures in relation to The London Market

Lo.1	Application of Section 2
Lo.2	Closing Prices – Futures Contracts
Lo.3	Introduction of a new series
Lo.4	Deleted
Lo.5	Delta Neutral Strategy Trades – LIFFE CONNECT® for Equity Options
Lo.6	Deleted
Lo.7	Counterparty data
Lo.8	Offering improvements
Lo.9	Client order priority
Lo.10	Trading for beneficial interest
Lo.11	Order removal at a Member's request
Lo.12	Trade Invalidation
Lo.13	Pricing of basis trades
Lo.14	Deleted

Section 3 Trading Procedures in relation to The Paris Market

P.1	Application of Section 3
P.2	Evening trading session
P.3	Purge of Central Order Book
P.4	Emergency non-automated trading
P.5	Account type identifier
P.6	Deleted
P.7	Deleted
P.8	Deleted
P.9	Deleted
P.10	Trade Invalidation
P.11	Order removal at a Member's request
P.12	Deleted
P.13	Basis Trading Facility

Section 4 Trading Procedures in relation to The Lisbon Market

- Li.1 Application of Section 4
- Li.2 Account type identifier
- Li.3 Deleted
- Li.4 Offering Improvements
- Li.5 Client Order Priority
- Li.6 Trading for Beneficial Interest
- Li.7 Order Removal at Member's Request
- Li.8 Deleted
- Li.9 Pricing of Basis Trades
- Li.10 Technical Incidents related to the underlying assets
- Li.11 Trade invalidation

Section 5 Trading Procedures in relation to The Amsterdam Market

- A.1 Application of Section 5
- A.2 Introduction and deletion of series
- A.3 Corporate Actions
- A.4 Matched Trades and Clearing
- A.5 Restrictions to Trading
- A.6 Trading on LIFFE CONNECT[®]
- A.7 Prof Transactions
- A.8 Authority of the Observer and the Commission for Extraordinary Circumstances for Commodity Products
- A.9 Minimum Price moves for Options and Futures
- A.10 Trade matching Primary Market Makers and/or Competitive Market Makers
- A.11 Order removal at a Member's request
- A.12 Trade Invalidation
- A.13 Order execution
- A.14 Uncrossing
- A.15 Settlement Prices – Options Contracts

Annexe One **Part I: Applicability of Trading Procedures and Contract "designations"**
Part II: Additional Information
Part III: Series Policy for the FTSE 100 Index Option Contract

Annexe Two **NYSE Liffe Recognised Strategy Trades**

Annexe Three **Trading Arrangements**

Annexe Four **Contact Details**

PART ONE

SECTION 1 – GENERAL

1.1 Introduction

1.1.1 These Trading Procedures are issued pursuant to Rule 5106 and apply in respect of all Exchange Contracts.

1.1.2 These Trading Procedures have the same status with regard to enforceability as the Rules.

1.1.3 Nothing contained in these Trading Procedures overrides any term (expressed or implied) of the Rules and, in the case of any conflict between any provision of these Trading Procedures and the Rules, the Rules will prevail.

1.1.4 The following rules of construction apply to these Trading Procedures:

- (a) expressions referred to in writing must be construed as including references to printing, lithography, photography and other modes of representing or reproducing words or data in a visible form;
- (b) any words importing the singular number include, where the context permits, the plural number and vice versa. Any words importing the masculine gender include the feminine gender and, where the context permits or requires, a partnership or an incorporated company; and
- (c) the headings in these Trading Procedures are for convenience only and do not affect the construction of these Trading Procedures.

1.2 Definitions

1.2.1 The following provisions apply to, or should be noted in connection with, the interpretation of these Trading Procedures:

- (a) references herein to Trading Procedures should be construed as references to the Trading Procedures which comprise this document;
- (b) a term defined in the Rules has the same meaning in these Trading Procedures; and
- (c) certain terms which appear in these Trading Procedures but which do not appear in the Rules are defined in Trading Procedure 1.2.2.

1.2.2 In these Trading Procedures, unless otherwise expressly stated:

“Against Actuals” a Transaction effected pursuant to Trading Procedure 4.4;

“approved basis trade instrument” a security, a basket of securities, a non-NYSE Liffe exchange traded contract or an OTC instrument approved for the time being by the Relevant Euronext Market Undertaking** in relation to a basis trade Exchange Contract specified by that Relevant Euronext Market Undertaking;

“asset allocation” a Transaction consisting for one party (“A”) of:

(a) the purchase of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (A’s first futures/options element);

simultaneously combined with

(b) the sale of an appropriate number of contracts in the terms of another asset allocation Exchange Contract (A’s second futures/options element) whereby the ratio between the number of contracts purchased and sold must be such as to ensure that the purchase and sale have an equal notional value when valued in a common currency;

and, at the same time, for another party (“B”) of:

(c) the sale of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (B’s first futures/options element);

simultaneously combined with

(d) the purchase of an appropriate number of contracts in the terms of another asset allocation Exchange Contract (B’s second futures/options element) whereby the ratio between the number of contracts sold and

purchased must be such as to ensure that the sale and purchase have an equal notional value when valued in a common currency;

“asset allocation Exchange Contract”

an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract which may form an element of an asset allocation;

“Automated Price Injection Model”

an electronic system or computer software which interfaces with the LIFFE CONNECT[®] API and both determines the requirement for sending, and sends, order handling messages to the Trading Host without necessarily requiring the intervention of an individual;

“basis trade”

a Transaction consisting for one party (“A”) of:

(a) the spot sale of an approved basis trade instrument (A’s cash element);

simultaneously combined with

(b) the purchase of an appropriate number of contracts in the terms of a basis trade Exchange Contract (A’s futures element);

and, at the same time, for another party (“B”) of:

(c) the spot purchase of an approved basis trade instrument (B’s cash element);

simultaneously combined with

(d) the sale of an appropriate number of contracts in the terms of a basis trade Exchange Contract (B’s futures element);

“basis trade Exchange Contract”	<p>(a) an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract in respect of which contracts comprising the futures element of a basis trade may be made; or</p> <p>(b) in respect of asset allocation basis trades, means an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract in respect of which contracts comprising one of the futures elements of an asset allocation basis trade may be made;</p>
“Block Trade Client”	any Client who meets criteria specified for these purposes by the Relevant Euronext Market Undertaking in PART TWO of these Trading Procedures;
“Block Trade Contracts”	those Exchange Contracts designated by the Relevant Euronext Market Undertaking as contracts that may be traded as a Block Trade pursuant to these Trading Procedures;
“Block Trade Facility”	the facility established by the Relevant Euronext Market Undertaking pursuant to the Rules in relation to the trading of Block Trade Contracts in accordance with these Trading Procedures;
“cash element” or “cash leg”	that part of a basis trade comprising the sale and purchase of approved basis trade instruments;
“Equity Option Contract”	an Exchange Contract the subject of which is either an equity share or an index of equity share prices;
“error correction facility”	a facility provided by the Relevant Euronext Market Undertaking pursuant to Trading Procedure 3.6;

“Euronext Derivatives Market” or “NYSE Liffe”	Any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking referred to as The Amsterdam, Brussels, Lisbon, London and Paris Markets;
“NYSE Liffe Trading Procedures”	this document, comprising the sections and headings listed in the Table of Contents included herein;
“Exchange Contract”	a Derivative which is an Admitted Financial Instrument;
“Facilitating Side”	an order procured by a Member for his own, or a third party’s, account in order to facilitate the execution of the Originating Side of a Block Trade;
“fair value”	in relation to any Block Trade price quoted by a Member to another Member or to a Block Trade Client or in respect of a Block Trade entered into by a Member, a price which is considered by the Member to be the best available for a trade of that kind and size, . When determining a Block Trade price, a Member should, in particular, take into account the prevailing price and volume currently available in the relevant Central Order Book, the liquidity of the Central Order Book and general market conditions, but is not obliged to obtain prices from other Members, unless this would be appropriate in the circumstances;
“fast market”	in respect of a particular Exchange Contract, a period declared as such by Market Services during which price limits are widened or suspended and Liquidity Providers may be relieved of some or all of their obligations or be required to meet relaxed obligations, as the case may be;
“futures element” or “futures leg”	that part of a basis trade comprising the sale and purchase of contracts in the terms of a basis trade Exchange Contract(s);

“Guaranteed Cross”	a Cross Transaction which does not interact with orders in the Central Order Book but whose price is constrained by the prices of such orders, as specified in these Trading Procedures;
“Index Option Contract”	As the context requires, either an Equity Option Contract which is an option on an index of equity share prices or a contract in the terms of such Contract;
“LIFFE CONNECT [®] ”	the Euronext Trading Platform for Derivatives, consisting of “LIFFE CONNECT [®] for Futures and Options” and “LIFFE CONNECT [®] for Equity Options”;
“Market Close”	the time specified by the Relevant Euronext Market Undertaking for the cessation of trading in contracts on LIFFE CONNECT [®] on that Trading Day;
“Market Open”	the time specified by the Relevant Euronext Market Undertaking for the commencement of trading in contracts on LIFFE CONNECT [®] on that Trading Day;
“Market Services”	the Relevant Euronext Market Undertaking’s facilities for monitoring and regulating the conduct of business by its Members on LIFFE CONNECT [®] ;
“minimum volume thresholds”	the thresholds as determined by the Relevant Euronext Market Undertaking and published from time to time being the minimum number of lots in respect of each Block Trade Contract;
“orders”	bids or offers, as the case may be;
“Originating Side”	the initial enquiry which subsequently is confirmed as a Block Trade order, or the initial Block Trade order;
“post-settlement trading”	the period of trading following the time specified by the Relevant Euronext Market Undertaking for the calculation of the daily settlement price for a contract;

“Pre-Opening”	the period immediately prior to Market Open, beginning at a time specified by the Relevant Euronext Market Undertaking, during which Members may log on to the Trading Host and submit, amend and withdraw orders, but no trading can occur;
“RFQ”	the request for quote facility;
“Session End”	the period immediately following Market Close, ending at a time specified by the Relevant Euronext Market Undertaking, during which Members may withdraw any GTC orders that they do not wish to remain in the market for the following Trading Day; and
“Trade Registration”	The Clearing System or the Trade Registration System, as the case may be.

1.3 Compliance with the Rules and conduct

1.3.1 A Member must, in respect of business conducted on, or submitted through, LIFFE CONNECT®:

- (a) implement suitable security measures such that only those individuals explicitly authorised to trade by the Member may gain access to passwords and security keys;
- (b) ensure that any trading access granted to individuals (whether staff of the Member or otherwise), for example by way of order routing systems, is adequately controlled and supervised including appropriate checks before orders are submitted to the Trading Host; and
- (c) register with the Relevant Euronext Market Undertaking, in accordance with requirements of the Relevant Euronext Market Undertaking from time to time in force, any Automated Price Injection Model intended to be used in respect of LIFFE CONNECT® business and only operate such Automated Price Injection Model with the prior written approval of the Relevant Euronext Market Undertaking.

SECTION 2 – THE OPERATION OF LIFFE CONNECT®

2.1 Price limits

2.1.1 Throughout each LIFFE CONNECT® trading session and during the Pre-Open period, price limits for Futures Contracts will be calculated from a base level: the limit bid being the allowed spread greater than the base level and the limit offer being the allowed spread lower than the base level.

2.1.2 The base level is calculated using one of the following two methods:

- (a) Central Order Book price method;
- (b) theoretical fair value method.

2.1.3 In respect of the Central Order Book price method, the base level is:

- (a) for the most actively traded (“blue”) contract month:
 - (i) prior to the first trade, the mid point between the best bid and offer; or
 - (ii) the last traded price; or
 - (iii) a bid above or an offer below the last traded price;
- (b) for all other contract months, the fair value as derived from outright and implied spread relationships with the blue month.

2.1.4 In respect of the theoretical fair value method, the base level is the price of the underlying plus the cost of carry for each contract month, as calculated by the Relevant Euronext Market Undertaking. The theoretical fair value method may be used for futures contracts where there is limited central market activity.

2.1.5 The method used to establish the base level for each Futures Contract is set out in Annexe One.

2.1.6 For Options Contracts, the Relevant Euronext Market Undertaking will calculate a theoretical fair value price for each series. The fair value will generate a spread, the range of which is determined from the applicable option delta value. This spread range is then employed by the Trading Host as the price limit for the option series concerned.

2.1.7 Subject to Trading Procedure 2.1.9, attempts to trade or, during the Pre-Open period, to enter orders, outside the prevailing price limits in the relevant contract/expiry month will be rejected by the Trading Host.

The Trading Host will send a message to the Member via the relevant ITM to inform him of the rejection.

2.1.8 The permitted spreads for price limits for each contract/expiry month will be determined from time to time by the Relevant Euronext Market Undertaking. Such spreads may be adjusted to reflect market conditions with the objective of preventing the execution of any orders submitted to the Trading Host with manifest pricing errors and/or at unrepresentative price levels.

2.1.9 In response to volatile market conditions, Market Services may, at its discretion, remove the restriction on the entry of orders outside the prevailing price limits.

2.2 Settlement prices – Futures Contracts

2.2.1 The Daily Settlement Price for Futures Contracts is calculated using one of the following two methods:

- (a) Central Order Book price method (described in Trading Procedures 2.2.2-2.2.3); or
- (b) official closing price method (described in Trading Procedure 2.2.4).

The method used to establish the Daily Settlement Price for each Futures Contract is indicated in Annexe One.

2.2.2 In respect of the Central Order Book price method, the Settlement System in Market Services will be used to calculate the Daily Settlement Price by taking a feed of reported prices for a period of no less than two minutes before the time specified for the settlement of a contract, as notified by the Relevant Euronext Market Undertaking. This period is known as the “Settlement Range”. However, the Relevant Euronext Market Undertaking will also monitor market activity throughout the Trading Day to ensure that settlement prices are a fair reflection of the market.

2.2.3 The Settlement Range will be used to monitor spread levels. Thereafter, the following criteria will be taken into account, as applicable:

- (a) the traded price during the last minute of the Settlement Range; or, if there is more than one traded price during this time:
- (b) the trade weighted average of the prices traded during the last minute of the Settlement Range, rounded to the nearest tick; or, if there are no traded prices during this time:
- (c) the price midway between the active bids and offers at the time the settlement price is calculated, rounded to the nearest tick.

Where a trade weighted average or a midway price between active bids and offers results in a price which is not a whole tick, the rounding convention that will apply in respect of (b) and (c) above will be in accordance with that set out in the relevant contract specifications.

In addition, the following criteria are monitored in Market Services and may be taken into account, as applicable:

- (d) price levels as indicated by spread quotations;
- (e) spread relationships with other contract months of the same contract; and
- (f) price levels and/or spread relationships in a related market.

- 2.2.4 In respect of the official closing price method, which shall be used for such stock futures and index futures as may be specified in Annexe One, the Daily Settlement Price shall be determined by a fair value calculation using the official daily closing price of the company security or the index of such securities (as the case may be) established by the Relevant Stock Exchange. Where such official daily closing price is not available, the Relevant Euronext Market Undertaking shall determine the Daily Settlement Price, at their absolute discretion, on the basis of a fair value calculation which is consistent with cash market values of the shares the subject of such Contract.
- 2.2.5 Settlement prices will be displayed on LIFFE CONNECT[®] and for a minimum period of five minutes thereafter, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices to ensure they are a fair reflection of the market.
- 2.2.6 When the Relevant Euronext Market Undertaking is satisfied that the settlement prices are appropriate in respect of a particular contract, the revised settlement prices will be displayed and for a minimum period of three minutes thereafter any further appropriate revisions will be displayed accordingly.
- 2.2.7 The prices established by the procedure set out in this Trading Procedure 2.2 will be transmitted to the Clearing House. In the event that the Clearing House considers that prices do not correctly reflect the true value of contracts in the terms of Futures Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.
- 2.2.8 Settlement prices will be displayed on LIFFE CONNECT[®] or any such other means of communication as the Relevant Euronext Market Undertaking sees fit.
- 2.2.9 Where the settlement price of a contract available for trading on LIFFE CONNECT[®] is calculated during the course of the LIFFE CONNECT[®] session for that contract, the Relevant Euronext Market Undertaking

will additionally post the LIFFE CONNECT[®] closing price for each contract month at Market Close. Closing prices, where applicable, will be calculated in the manner set out in PART TWO of these Trading Procedures.

2.3 Settlement prices – Options Contracts

2.3.1 The Relevant Euronext Market Undertaking's objective when determining settlement prices for Options Contracts is to maintain a consistent pricing relationship between the volatilities of one exercise price and the exercise price(s) nearest to it, whilst taking account of market activity.

2.3.2 The procedures for establishing Daily Settlement Prices are as follows:

- (a) Market Services will maintain continuous information on market activity, both for each series of each Options Contract and for the underlying Futures Contract or security (as applicable);
- (b) using this information, implied volatilities will be calculated for each series throughout the Trading Day, which the Relevant Euronext Market Undertaking will review at regular intervals in light of market activity;
- (c) in the case of less actively traded Options Contracts, or those where no recent bids or offers exist, the Relevant Euronext Market Undertaking may contact Members throughout the trading session in order to ascertain whether implied volatilities are reflective of the market view. In the case of more actively traded Options Contracts, Market Services will monitor implied volatilities toward the settlement time to check consistency with market activity throughout the trading session;
- (d) at the settlement time, the Relevant Euronext Market Undertaking will calculate settlement prices from implied volatilities or, for designated Options Contracts in PART TWO, from bids and offers quoted on LIFFE CONNECT[®]. These settlement prices will be displayed on LIFFE CONNECT[®]; and
- (e) for a minimum period of five minutes following publication of settlement prices, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices and any appropriate revisions will be displayed accordingly.

2.3.3 The prices established by the procedures set out in this Trading Procedure 2.3 will be transmitted to the Clearing House. In the event that the Clearing House considers that prices do not correctly reflect the true value of contracts in the terms of Options Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.

2.4 Emergency termination of a trading session and subsequent resumption

2.4.1 The conduct of business on LIFFE CONNECT[®] in one or more Exchange Contracts may be suspended by the Relevant Euronext Market Undertaking, in the case of an event, or when conditions or circumstances prevail, which in the Relevant Euronext Market Undertaking's** opinion threatens or prevents the orderly conduct of business. Such events include, but are not limited to:

- (a) an act of God or some other event outside the Relevant Euronext Market Undertaking's control occurring; or
- (b) a LIFFE CONNECT[®] technical failure or failures including, but not limited to, a part of the central processing system, a number of Member trading applications, or the electrical power supply to the system itself or any related system.

2.4.2 In the event that the conduct of business on LIFFE CONNECT[®] in one or more Exchange Contracts is suspended by the Relevant Euronext Market Undertaking or forcibly halted (as distinct from being suspended by the Relevant Euronext Market Undertaking) as a consequence of an event described in Trading Procedure 2.4.1, the conduct of business will be resumed when, in the opinion of the Relevant Euronext Market Undertaking, business may be resumed on an orderly basis.

2.4.3 In the event that the conduct of business on LIFFE CONNECT[®] in one or more Exchange Contracts is suspended or halted at or around the time specified for the establishment of Daily Settlement Prices or Closing Prices (as the case may be), the Relevant Euronext Market Undertaking may in its absolute discretion determine either:

- (a) to change such times for that Trading Day; or
- (b) to set such prices at levels determined by them as being a fair reflection of the market, as they see fit.

2.4.4 In the event that the conduct of business on LIFFE CONNECT[®] in one or more Exchange Contracts is suspended or halted and the Relevant Euronext Market Undertaking determines that it may not be resumed either:

- (a) before Market Close; or
- (b) within sufficient time prior to Market Close to allow an orderly close to the market,

it may determine that the conduct of business in one or more Exchange Contracts should be resumed but that the relevant scheduled closing time should be delayed to a later time.

- 2.4.5 Instead of making a determination contemplated by Trading Procedure 2.4.4 the Relevant Euronext Market Undertaking may determine that the conduct of business cannot be resumed on that same Trading Day but will be resumed on such later Trading Day, and at such time, as they determine. If necessary, such determination may also be made on a Trading Day later than the Trading Day on which the conduct of business was suspended or halted.
- 2.4.6 Any determination made by the Relevant Euronext Market Undertaking pursuant to Trading Procedures 2.4.4 or 2.4.5 may be revoked by a later determination. Any such later determination may likewise be revoked. Any determination made under this Trading Procedure 2.4 will be published by the Relevant Euronext Market Undertaking as a Notice. If circumstances arise which, in the opinion of the Relevant Euronext Market Undertaking, indicate that some or all Members are unlikely to become aware of the existence of a particular Notice via their trading application, the Relevant Euronext Market Undertaking may decide to use other means of communication as it sees fit.

SECTION 3 – TRADING ON LIFFE CONNECT®

3.1 The Responsible Person

3.1.1 A Responsible Person must be assigned one, or at least one, ITM and a valid password for each, by the Relevant Euronext Market Undertaking.

3.1.2 In the normal course of events, the Relevant Euronext Market Undertaking will direct all queries in relation to business submitted under his ITM(s) to the Responsible Person concerned, whether or not the business was actually input directly by him. In this respect, the Responsible Person must:

- (a) have the authority to adjust or withdraw any orders submitted under his ITM(s);
- (b) satisfy himself of the competence and suitability of any person conducting business under his ITM(s), if applicable;
- (c) ensure, as far as possible, that all business conducted under his ITM(s) is conducted in accordance with the Rules and Trading Procedures; and
- (d) know, and be willing to disclose to the Relevant Euronext Market Undertaking, the immediate source of all orders.

The Responsible Person must be contactable by the Relevant Euronext Market Undertaking while his ITM(s) is/are in use. When a Responsible Person is absent, and therefore not contactable, yet his ITM(s) is/are to continue to be used, the Member must nominate to the Relevant Euronext Market Undertaking a replacement Responsible Person to fulfil his role in respect of the relevant ITM(s).

3.2 Entering orders and making acceptances

3.2.1 Orders for outright trades and strategy trades can be submitted to the Trading Host from commencement of Pre-Opening until Market Close. Submitted orders, once validated by the Trading Host, are time-stamped.

3.2.2 On LIFFE CONNECT®:

- (a) a bid is represented as an order to buy (“buy order”);
- (b) an offer is represented as an order to sell (“sell order”); and
- (c) an acceptance is defined as the matching of a buy order and sell order in the Central Order Book.

3.2.3 Trading Procedures 3.2.3 to 3.2.5 describe the various order types, order designations and associated requirements, which may be submitted to the Trading Host. Not all order functionality applies to each Relevant Euronext Market Undertaking or to all contracts available for trading on a Relevant Euronext Market Undertaking. **Members must refer to Annexe One to these Trading Procedures which details which functionality applies to a Derivative of a Relevant Euronext Market Undertaking.**

(a) Limit Order

Limit Orders entered into the Central Order Book are executed at the price stated or better. Any residual volume left after part of a Limit Order has traded is retained in the Central Order Book until it is withdrawn or traded (unless a designation described in Trading Procedure 3.2.4 is added which prevents the untraded part of a Limit Order from being retained). All Limit Orders (with the exception of those with a GTC designation as described in Trading Procedure 3.2.4 (a) below) are automatically withdrawn by the Trading Host on Market Close and in the circumstances outlined in Trading Procedures 3.2.9 and 3.2.10; and

(b) Market Order

Market Orders entered into the Central Order Book are executed at the best price(s) available in the market until all available volume has been traded. Any residual volume left after part of a Market Order has traded is automatically cancelled by the Trading Host.

(c) Market on Open Order (MoO)

MoO Orders may be submitted to the Trading Host during the Pre-Open period. MoO Orders will be executed at the calculated opening price at Market Open. Where a MoO Order has traded in part at Market Open, the residual volume will be converted to a Limit Order at the calculated opening price of that order. If no trading takes place at Market Open, the MoO Order will trade with any matching MoO Order at the mid-price of the opening bid and offer (including bids and offers implied from related strategy markets where applicable). Any residual MoO Order volume will then convert to a Limit Order at this mid-price. Where no bid and/or no offer exists at Market Open, the MoO Order will be cancelled by the Trading Host.

3.2.4 The designations set out in (a) to (e) below can be added to Limit and/or Market Orders and the designation set out in (a) only can be added to MoO Orders:

(a) Good 'Til Cancelled (GTC)

a GTC designation can be added to Limit Orders and MoO Orders. Such orders remain in the Central Order Book (provided, in the case of MoO Orders, there was a calculated opening price at Market Open) until the order:

- (i) trades;
- (ii) is withdrawn by, or under the authority of, the relevant responsible person or the Relevant Euronext Market Undertaking at the Member's request;
- (iii) is automatically withdrawn by the Trading Host at Market Close on the date specified at the time of order entry; or
- (iv) is automatically cancelled by the Trading Host on expiry of the delivery month to which the order related;

(b) Good In Session (GIS)

a GIS designation can be added to Limit Orders and will remain in the Central Order Book until Market Close occurs in the trading session during which the GIS order was submitted;

(c) Immediate and Cancel (IC)

an IC designation can be added to Limit Orders and will be added to Market Orders automatically if no other designation is specified. IC orders are immediately executed against any existing orders (at the specified price or better in the case of Limit Orders) up to the volume of the IC order. Any residual volume left after part of the IC order has traded will be automatically cancelled by the Trading Host;

(d) Complete Volume (CV)

a CV designation can be added to both Limit Orders and Market Orders. CV orders will only be executed if there is sufficient volume available (at the specified price or better in the case of Limit Orders) for the order to be executed in full. If this is not the case the order will be automatically cancelled by the Trading Host; and

(e) Minimum Volume (MV)

an MV designation can be added to both Limit Orders and Market Orders. MV orders will only be executed if the specified minimum volume is immediately available to trade (at the specified price or better in the case of Limit Orders). Where a volume equal to or greater than the specified minimum volume of an MV order has traded, the residual volume will be retained in the Central Order Book in the case of non IC limit orders, or cancelled by the Trading Host in the case of market orders.

- 3.2.5 Members may submit up to eight Limit Orders as a Contingent Multiple Order in up to two designated Exchange Contracts, in line with arrangements which may be prescribed from time to time by Notice. Exchange Contracts eligible for execution as a Contingent Multiple Order will likewise be notified by Notice. On submission of a Contingent Multiple Order, the Trading Host will attempt to execute each individual leg in the relevant outright market. Unless each leg of the Contingent Multiple Order can be executed immediately in full, the order will be cancelled by the Trading Host.
- 3.2.6 The identity of Members (and the Responsible Persons to whom their ITMs are assigned) who submit orders to the Trading Host will remain anonymous to market participants at all times.
- 3.2.7 Orders can be edited once they are held in the Central Order Book. Editing of orders may be applied to price, volume and cancellation date (for GTC orders). The time-stamp assigned by the Trading Host at the entry of the original order will be updated if either the price is changed or the volume increased i.e. the order will assume an inferior position in the time priority "queue", where applicable. A reduction in volume or an amendment to the cancellation date has no affect on the time-stamp.
- 3.2.8 Orders held in the Central Order Book can be withdrawn, individually or as a block, by the relevant Responsible Person or under his authority.
- 3.2.9 All orders with the exception of GTC orders will be cancelled automatically at Market Close or when the ITM under which the order was submitted is logged out without the Member having nominated a replacement ITM, whichever is the earlier. All orders, including GTC orders, will be cancelled at close of business on the Last Trading Day of the delivery month to which they relate, or the Last Trading Day of the delivery month of one or more legs of a GTC strategy order, as the case may be.
- 3.2.10 In the event of failure of the Trading Host, all orders with the exception of GTC orders will be cancelled automatically.

3.2.11 Where a Member is experiencing technical difficulties in relation to LIFFE CONNECT®, the Relevant Euronext Market Undertaking may delete orders in the Central Order Book at the relevant Member's request, on a best endeavours basis and at the Relevant Euronext Market Undertaking's absolute discretion.

3.3 Making of trades

3.3.1 The following order prioritisation criteria will determine trade priority. Members should refer to Annexe One which details the order prioritisation applicable to each Exchange Contract:

(a) Price/Time priority:

- (i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy; and
- (ii) oldest time-stamp. Buy/sell order(s) at the best price will trade in order according to the time they were accepted by the Trading Host,

(b) Pro-rata priority:

- (i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy;
- (ii) pro-rata. All buy orders at the highest price and all sell orders at the lowest price in the same contract/delivery month/strategy are traded in accordance with the pro-rata algorithm, the details of which, including any element of priority, will be specified by Notice;

albeit that in both instances (a) and (b), following the application of the uncrossing algorithm at Market Open (described in Trading Procedure 3.3.2) Market on Open Orders may take priority over Limit Orders submitted during the Pre-Open period, by trading with other Market on Open Orders, where such Limit Orders cannot be executed during the opening algorithm. Furthermore, certain contracts, as detailed by Notice, provide for Designated Market Makers to receive trade priority status. The details of such trade priority, and its implications for the order prioritisation above, are detailed by Notice.

3.3.2 Where backwardation (bids higher than offers) or choice prices (bids equal to offers) exist at Market Open, the Trading Host will run an uncrossing algorithm to calculate the price at which the maximum volume can be traded and automatically executes trades accordingly: any orders executed in this way will be traded at a price equal to or better than that at which they were entered and any untraded bids and/or offers will remain in the market.

- 3.3.3 The details of each trade on LIFFE CONNECT[®] other than the identity of the counterparties to such trade will be transmitted to Trade Registration and to all market participants who have successfully logged on and subscribed to the relevant market. All post-trade details will be published on an anonymous basis.
- 3.3.4 For Futures Contracts and designated Options Contracts (Annexe One), during the Pre-Open period, details of indicative opening prices and volume, except volume associated with Market on Open Orders, will be transmitted to all market participants who have successfully logged on and subscribed to the relevant market, until Market Open.
- 3.3.5 Members are required to make available personnel responsible for the resolution of trade processing queries when required to do so.

3.4 Pre-negotiated business and Cross Transactions

- 3.4.1 The execution of pre-negotiated business and Cross Transactions is permitted subject to the procedures detailed in this Trading Procedure 3.4 and, for designated contracts, in PART TWO.
- 3.4.2 Matching business may be procured for an order by way of pre-negotiation within the same Member, with other Members or with Clients.
- 3.4.3 Members and Responsible Persons must ensure that, when pre-negotiating a Client order and/or when executing Client business by way of a Cross Transaction they comply fully with the obligations imposed by Chapter 8 of the Rules (“Rules of Conduct”) and, in particular:
- (a) they act with due skill, care and diligence; and
 - (b) the interests of the Client or Clients, as the case may be, are not prejudiced.
- 3.4.4 Subject to Trading Procedures 3.4.5 and 3.4.6, orders for which matching business has been found by pre-negotiation may be entered to the Trading Host without delay between the submission of the separate buy and sell orders.
- 3.4.5 Where no bid and/or no offer exists in the Central Order Book for the relevant contract month or strategy, a Request for Quote (“RFQ”) must first be entered for such contract month or strategy. The matching business may only be entered to the Trading Host where a period of five seconds in the case of Futures Contracts, fifteen seconds in the case of Commodity Options Contracts and ten seconds in the case of all other Options Contracts (“the RFQ Period”) has elapsed. If the matching business is to be submitted, the applicable buy and sell orders must be submitted as soon as practicable and in any event no later than thirty seconds following the RFQ Period.

- 3.4.6 A bid and/or offer must not be entered to the Trading Host deliberately to circumvent the RFQ procedures set out in Trading Procedure 3.4.5.
- 3.4.7 Matching business may be entered to the Trading Host using one of the following two methods:
- (a) by submission to the Central Order Book; or
 - (b) by submission as a Guaranteed Cross in designated contracts set out in Annexe One.
- 3.4.8 Where a matched trade is to be submitted as a Guaranteed Cross, the price of the trade must be:
- (a)(i) within the prevailing best bid and offer price in the Central Order Book; or
 - (a)(ii) for contracts designated in Annexe One at the best bid or offer where the differential between such best bid and offer is the minimum price movement for the Contract concerned (such trade must also meet the applicable minimum volume set out in Annexe One); or
 - (b) where a bid but no offer, or an offer but no bid, exists in the Central Order Book, better than such bid or offer; and
 - (c) in any event, at a price which represents a fair value for the trade.
- 3.4.9 A Member and his Responsible Persons may deliberately seek to effect a trade involving two wholly or partially matching orders providing the requirements in these Trading Procedures are met.

3.5 Trade invalidation

Trade Invalidation determined by NYSE Liffe

- 3.5.1 Pursuant to Trading Procedure 2.1, price limits are designed to prevent the submission of orders with manifest pricing errors such that intervention by the Relevant Euronext Market Undertaking to invalidate trades will not be necessary in the normal course of events. Notwithstanding this, in certain circumstances, the Relevant Euronext Market Undertaking may determine that a trade has taken place at an unrepresentative price and may, as soon as practicable, declare that trade invalid.
- 3.5.2 The Relevant Euronext Market Undertaking may determine that a trade has been executed at an unrepresentative price, when:

- (a) in cases where automated price limits are not operational, it determines that such price would have fallen outside the prevailing price limits had they been operational; and
- (b) due to exceptional circumstances, it determines that the prevailing price limits have temporarily failed to be consistent with a fair value for the relevant contract. Such assessment of fair value for the relevant contract may take into account one or both of the following:
 - (i) bids/offers and trades, as applicable, which occurred prior to and following the trade in question in the contract concerned in either the same or a different contract/expiry month or series; and
 - (ii) information regarding price movements in related markets.

3.5.3 Where one or more legs of a recognised strategy trade is deemed to have taken place at an unrepresentative price, as defined in Trading Procedure 3.5.2, any invalidation by the Relevant Euronext Market Undertaking shall be conducted in accordance with the provisions contained in PART TWO.

3.5.4 When a trade is declared invalid the parties or party to the trade will be informed, as soon as possible, by telephone and via a broadcast message from the Trading Host that the trade is to be annulled. In any event, the parties or party to the trade will be informed, at the latest, before the close of trading for invalidations which occur before Market Close or before the start of trading on the following business day for invalidation which occur after Market Close. A message concerning any volume correction will be notified to quote vendor services.

Trade Invalidation at a Member's request

3.5.5 Where an error has been made by a member in the trading of an Exchange Contract included within the List of Eligible Contracts – as set out in Annexe One – such member may make a request to Market Services that the trade be invalidated.

3.5.6 On receipt of such a request, subject to Trading Procedure 3.5.7, Market Services will contact the other counterparty/ies to the trade on an anonymous basis, and if such counterparty/ies agree to the trade being invalidated, the Relevant Euronext Market Undertaking may invalidate the trade (which for these purposes includes reducing the lot size of the trade). The Relevant Euronext Market Undertaking may notify the market, by whatever means available, of the necessary amendments to the traded price and volume of the series concerned. All trade invalidations at a Member's request will be performed at the Relevant Euronext Market Undertaking's absolute discretion.

3.5.7 Requests for cancellation should be submitted to Market Services no later than 30 minutes after execution of the relevant trade.

3.6 Error Correction Facility

3.6.1 Where there has been an error in the execution of a Client order or in the reporting thereof, the Relevant Euronext Market Undertaking may make available to the Member an error correction facility in order to resolve the error and ensure that the interests of the Client are protected.

3.6.2 An error correction will be authorised only where the conditions set out in Trading Procedures 3.6.3 to 3.6.6 inclusive are met to the satisfaction of the Relevant Euronext Market Undertaking.

3.6.3 In order to obtain authorisation of an error correction, the Member must provide to Market Services:

- (a) evidence that the trade reported to the Client could reasonably have been executed on LIFFE CONNECT[®];
- (b) the relevant order record;
- (c) an Error Correction Declaration form signed by a representative of the Member duly authorised for this purpose, and faxed to Market Services (contact details contained in Annexe Four), confirming that there was an error and, where applicable, that the Client has been offered the improvement.

3.6.4 The Member may also be required to provide further information to demonstrate to the satisfaction of the Relevant Euronext Market Undertaking that:

- (a) a Client order was received and an attempt made, or intention existed, to execute the order on LIFFE CONNECT[®]; and
- (b) a “fill”, which was in retrospect an error, was reported to the Client (i.e. either there was a mistaken belief that a trade had been executed which satisfied the Client order or a trade had been executed but it differed from that reported to the Client).

3.6.5 If the error is discovered when the market is open, an error correction may be submitted for authorisation in circumstances where:

- (a) a trade has been executed at a better price than that reported to the Client, but the Client has declined the improvement (in part or in full). If the Member had originally traded a wrong delivery/expiry month or exercise price, only the net improvement, if any, would need to be offered to the Client;

- (b) a trade has been executed at a worse price than that reported to the Client;
- (c) a trade has been executed in the wrong direction, delivery/expiry month, exercise price or contract, but were a correct trade to be executed at the current market price it would be at a worse price than that reported to the Client.

If either no trade has been executed, or a trade has been executed in the wrong direction, delivery month or contract, but were a (correct) trade to be executed at the current market price it would be at a better price than that reported to the Client, such a trade must be executed on LIFFE CONNECT[®]. If the Client then declines the improvement (or the net improvement, if any, for delivery/expiry month or exercise price errors, then Trading Procedure 3.6.5(a) will apply.

3.6.6 If the error is discovered after the market has closed, the same principles apply. However, the reference price used both to determine whether the price reported to the Client was a better or a worse price, and to be read as the current market price, shall be either:

- (a) the Daily Settlement Price (for contracts without post-settlement trading); or
- (b) the Official Closing Price (for error corrections authorised following Market Close for contracts with post-settlement trading).

3.6.7 Authorisation of an error correction is at the absolute discretion of the Relevant Euronext Market Undertaking.

3.6.8 Authorisation of an error correction by the Relevant Euronext Market Undertaking does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been executed other than in compliance with the Rules and Trading Procedures or related requirements.

3.7 Pre-negotiation Correction Facility

3.7.1 Where a Member has pre-negotiated matching business for one or more Clients and, given market conditions, has a reasonable expectation of executing such business as a Cross Transaction on LIFFE CONNECT[®], yet is precluded from doing so by a change in the market price, then the Relevant Euronext Market Undertaking may make available to the Member a pre-negotiation correction facility in order to complete the Cross Transaction and satisfy the Client(s).

3.7.2 This facility is made available only for those contracts designated by the Relevant Euronext Market Undertaking - as set out in Annexe One - and in circumstances where:

- (a) the Member can demonstrate, to the satisfaction of the Relevant Euronext Market Undertaking, that market conditions at the time the pre-negotiation took place were such as to give him a legitimate expectation that his matching business could be executed as a Cross Transaction on LIFFE CONNECT[®]; and
- (b) the Member's request to use the facility is made within ten minutes of the pre-negotiation.

3.7.3 Authorisation of a pre-negotiation correction is at the absolute discretion of the Relevant Euronext Market Undertaking.

3.7.4 Authorisation of a pre-negotiation correction by the Relevant Euronext Market Undertaking does not preclude the Relevant Euronext Market Undertaking from subsequently determining that the Transaction has been executed other than in compliance with the Rules and Trading Procedures or related requirements.

3.8 Strategy trades

3.8.1 Members may execute strategies comprising combinations of Exchange Contracts. A list of strategies available for trading on LIFFE CONNECT[®] is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annexe Two to these Trading Procedures.

3.8.2 A separate market will be created for each strategy where one or more RFQs have been submitted to the Trading Host. With the exception of stock contingent volatility trades, the traded price of each leg will be calculated by an Exchange maintained algorithm.

3.8.3 In addition, there will be certain strategies for which implied trading functionality applies as specified by the Relevant Euronext Market Undertaking from time to time.

3.8.4 For those explicit strategy markets where implied trading functionality applies, the relevant outright contract/expiry months will generate implied-in prices to the explicit strategy market. For outright contract/expiry month markets, the interaction of an explicit strategy order and a relevant outright contract month order(s) will generate an implied-out price in the other outright contract month.

3.8.5 Strategy trades must, for each side, comprise a single order or aggregate of orders, which result in the same Client or account trading each element of the relevant strategy.

3.9 Delta neutral strategy trades

- 3.9.1 Members may execute delta neutral trades involving the simultaneous execution of financial or index options and an appropriate number of offsetting futures where the relevant futures and options are available for trading on the same Trading Host. A list of delta neutral trade types available for trading on LIFFE CONNECT[®] is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in the Annexe Two to these Trading Procedures.
- 3.9.2 In order to execute delta neutral strategy trades on LIFFE CONNECT[®], a Member must have appropriate trading rights for the trading of both the options and futures legs.
- 3.9.3 A separate market will be created for each delta neutral trade order submitted with different option price(s) or delta details. A Member is not permitted to create a new delta neutral strategy market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new delta neutral strategy market in order to avoid his order(s) being entered to, and thereby interacting with, a delta neutral strategy market with almost identical characteristics which has already been created.
- 3.9.4 Following submission of a delta neutral trade order, the Trading Host will validate both its option price(s) and delta and automatically assign offsetting futures to the counterparty(ies) to the resulting trade(s). Where a Member submits a delta neutral order to the Trading Host, the size of the order must be such as to be delta neutral in nature, as determined by the applicable delta (e.g. for a delta of 20%, orders being in multiples of 5 option lots). For the avoidance of doubt, a Member must not submit orders to the delta neutral market with the intention of securing a non delta neutral Transaction.
- 3.9.5 Delta neutral trades must, for each side, comprise a single order or aggregate of orders, which result in the same Client or account trading both the option and futures contracts.

SECTION 4 – COMMON TRADING FACILITIES

Section 4 describes various trading facilities and associated requirements. However, not all trading facilities apply to each Derivative which is an Admitted Financial Instrument. Members must refer to Annexe One to these Trading Procedures which details which functionality applies to each such Derivative.

4.1 Stock Contingent Trades

- 4.1.1 Subject to the appropriate trading rights, Members may execute strategies in Individual Equity Option Contracts that are contingent upon the execution of a transaction in the underlying security using the LIFFE CONNECT[®] for Equity Options stock contingent trade facility. Both the Individual Equity Option Contracts (“options”) and underlying company security components (“stock”) of any order in respect of a stock contingent trade must be executed on behalf of the same Client or account, as the case may be.
- 4.1.2 For certain options designated by the Relevant Euronext Market Undertaking, the stock transaction shall automatically take place on the corresponding Euronext Securities Market. In this case, Members must hold appropriate trading rights in such market. Otherwise, the Member must have in place arrangements for the execution of the stock via a Member holding a relevant trading right.
- 4.1.3 A list of stock contingent trades available for trading on LIFFE CONNECT[®] is contained in Annexe One to these Trading Procedures and may be varied from time to time by the Relevant Euronext Market Undertaking.
- 4.1.4 In order to execute a stock contingent trade a Member must specify, in addition to the order details required for options trades, the name, volume and price of the stock, as well as the delta in the case of volatility trades. Members are required to quote:
- (a) an options price consistent with the best bid and best offer available in the market at the time; and
 - (b) a stock price consistent with prices prevailing in the equity market on that Trading Day. Where the stock transaction takes place on a Euronext Securities Market, as referred to in 4.1.2, the stock price must meet the price conditions applicable in that market for the validation of such transactions.

In the case of volatility trades, the options and stock prices and the delta quoted in the order will be checked against an Exchange-maintained model in order to ensure the appropriateness of the stock price used.

- 4.1.5 In the case of conversions and reversals, the volume of stock transacted must be consistent with the net delta for that position.
- 4.1.6 A separate market will be created for each stock contingent trade order submitted with different option price or delta details. A Member is not permitted to create a new stock contingent trade market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new stock contingent trade market in order to avoid his order being entered to, and thereby interacting with, a stock contingent trade market with almost identical characteristics which has already been created.
- 4.1.7 Orders in respect of stock contingent trades will only trade if:
- (a) details of both the stock and the options components (and the delta in the case of volatility trades) match, albeit that an order may be accepted in part providing the ratio of stock to options contracts traded is the same for both the buying and selling sides; and
 - (b) in the case of stock contingent volatility trades, the options and stock price and the delta quoted are consistent with a model maintained by the Relevant Euronext Market Undertaking used to ensure the appropriateness of the order details submitted.
- 4.1.8 Details of the options component of stock contingent trades will be posted to market participants and quote vendors, identified as part of a strategy. Details of the stock component will also be published.

4.2 Basis Trading

- 4.2.1 The Basis Trading Facility (“BTF”) allows Members to organise and execute, subject to this Trading Procedure 4.2, Transactions involving a combination of an approved basis trade instrument and an appropriate number of offsetting Futures Contracts. For the purposes of these Trading Procedures such Transactions are called “basis trades”.
- 4.2.2 Any Member is permitted to arrange basis trades, subject only to the Member having in place arrangements for the execution of the futures leg of a basis trade via a Member holding a relevant trading right (“the basis trade executing Member”) to trade the basis trade Exchange Contract.
- 4.2.3 A basis trade may be organised only during the trading hours of the Futures Contract concerned, as published by the Relevant Euronext Market Undertaking** from time to time by Notice.

- 4.2.4 Basis trades may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose. Such designations will be published, from time to time, by Notice and are detailed in Annexe One. Basis trades are not permitted in a delivery month of a designated contract which has never traded. The Basis Trading Facility can be used in respect of a delivery month for a Futures Contract on any Trading Day up to and including the business day preceding the Last Trading Day of that delivery month.
- 4.2.5 The basis trade executing Member is responsible for assigning the price of the futures leg(s) of a basis trade. For the futures leg(s) to be authorised, the price(s) assigned must be in accordance with the requirements detailed by the Relevant Euronext Market Undertaking in PART TWO.
- 4.2.6 The following approaches to the construction of hedge ratios for basis trades are considered acceptable:
- (a) Deliverable bonds against bond futures contracts: A price factor or duration based method;
 - (b) Other bonds against bond futures contracts: A duration based method;
 - (c) Deliverable and non-deliverable bonds against Swapnote[®] futures contracts or one or more delivery month(s) of a short term interest rate futures contract: A method which is based upon the ratio of the basis point values of shifts in the yield curve of respectively the relevant cash and futures legs;
 - (d) Standard plain vanilla OTC swaps against bond futures contracts, Swapnote[®] futures contracts of one or more delivery month(s) of a short term interest rate futures contract: A method which is based upon the ratio of the basis point values of shifts in the yield curve of respectively the relevant cash and futures legs;
 - (e) Forward Rate Agreements (FRAs) against one or more delivery month(s) of a short term interest rate futures contract: A method which is based upon the ratio of the basis point values of shifts in the yield curve of respectively the relevant cash and futures legs;
 - (f) Sale and Repurchase Agreements (Repos) against one or more delivery month(s) of a short term interest rate futures contract: A method which is based upon the ratio of the basis point values of shifts in the yield curve of respectively the relevant cash and futures legs;

- (g) European or American style OTC interest rate options (bond options, swaptions) against bond futures contracts, Swapnote[®] futures contracts or one or more delivery month(s) of a short term interest rate futures contract: A method based on the relative deltas of the OTC option and futures contracts in order to achieve a delta neutral position;
- (h) Equity securities against Universal Stock Futures Contracts or Single Stock Futures Contracts: A method based on the relative value of the equity security and the nominal underlying value of the Universal Stock Futures Contracts or Single Stock Futures Contracts;
- (i) Baskets of equity securities against equity index futures contracts: A method based on the relative value of the basket of equity securities and the nominal underlying value of the equity index futures contracts;
- (j) European or American style OTC equity options (stock and equity index options) against equity index futures contracts: A method based on the relative deltas of the OTC option and futures contracts in order to achieve a delta neutral position;
- (k) European or American style OTC or non-NYSE Liffe exchange traded equity options against Universal Stock Futures Contracts or Single Stock Futures Contracts: A method based on the relative deltas of the OTC or exchange traded option and Universal Stock Futures Contracts or Single Stock Futures Contracts in order to achieve a delta neutral position;
- (l) Non-NYSE Liffe exchange traded short term interest rate or bond futures against NYSE Liffe short term interest rate futures contracts, Long Gilt futures or Euro Swapnote[®] Futures: A method which is based upon the ratio of the basis point values of shifts in the yield curve of the two futures contracts.
- (m) **[Deleted]**
- (n) OTC swaps in relation to cocoa, Robusta coffee, raw sugar, white sugar and wheat, or in relation to a direct product of such commodity, against Cocoa, Robusta Coffee, Raw Sugar, White Sugar or Wheat Futures Contracts, herein defined as an Exchange for Swap ("EFS"): A method which is based on the quantity of the commodity or a direct product of such commodity underlying the swap position relative to the quantity of the commodity underlying the Futures Contract.

Where a hedge ratio differs from such methods, the Member who is submitting the trade for authorisation (see Trading Procedure 4.2.7) is required to justify the method employed in advance of such submission.

4.2.7 When a Member accepts a basis trade order, he must record the order details set out in Trading Procedure 4.2.8 – 4.2.14B and, in addition, the details prescribed by (a) – (c) below, on an order slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) identity of individual organising the basis trade; and
- (c) time stamp (at time of organisation).

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.7, must be retained by the Member for a minimum period of five years.

After a basis trade has been organised the Member, or where the basis trade has been organised between two Members, the Member who will be the seller of the futures leg of the basis trade, must execute the futures leg of the basis trade as a cross transaction, as specified in Trading Procedures 4.2.8 – 4.2.14B, or must procure that the futures leg of the basis trade is so executed by another appropriately authorised Member.

4.2.8 Where a basis trade involves a government bond futures contract, a Swapnote[®] futures contract, or one or more delivery month(s) of a short term interest rate futures contract against a cash bond, in respect of each basis trade, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract(s) in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the cash bond transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking**, documentary evidence of the following information:

- (f) cash bond ISIN number;
- (g) clean cash price;

- (h) hedge ratio methodology (for government bond futures contracts against deliverable bonds only);
- (i) coupon and maturity of the cash bond;
- (j) frequency of coupon payments;
- (k) currency of cash bond; and
- (l) nominal value of cash bond.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.8, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing the cash leg such that the information in (f) – (l) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.9

Where a basis trade involves a government bond futures contract, a Swapnote[®] futures contract or one or more delivery month(s) of a short term interest rate futures contract against a plain vanilla OTC swap the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing member:

- (a) Futures Contract(s) in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the swap transaction;

The basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence which contains the following information:

- (f) the cash market counterparty identifier(s) for the cash leg;
- (g) fixed rate of the swap, including accrual convention;
- (h) floating reference rate of the swap;
- (i) termination/maturity date;
- (j) effective (start) date of the swap;
- (k) next fixed and floating reset dates of the swap;

- (l) replacement/liquidation value of the swap;
- (m) frequency of payments;
- (n) currency of floating and fixed legs of the swap; and
- (o) nominal value of the swap.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.9, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (o) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.10 Where a basis trade involves one or more delivery month(s) of a short term interest rate futures contract against a FRA the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract(s) in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number of the FRA transaction;

The basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence which contains the following information:

- (f) the cash market counterparty identifier(s) for the cash leg;
- (g) reference rate of the FRA;
- (h) termination/maturity date;
- (i) effective (start) date of the FRA;
- (j) replacement/liquidation value of the FRA;
- (k) currency of the FRA; and
- (l) nominal value of the FRA.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.10, must be retained

by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (l) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.11 Where a basis trade involves equity index futures contracts against a basket of equity securities, or Universal Stock Futures Contracts or Single Stock Futures Contracts against equity securities, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract in which the BTF is being transacted;
- (b) delivery month;
- (c) agreed futures price;
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the equity security or basket of equity securities transaction, as applicable;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

- (f) the identity and volume traded of the equity security or each equity security comprising the basket, as applicable;
- (g) the price (including currency) at which each equity security was traded; and
- (h) any supplementary cash payment made in conjunction with the transaction.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.11, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (h) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.12 Where a basis trade involves one or more delivery month(s) of a short term interest rate futures contract against a Repo the following details must be submitted to the Relevant Euronext Market Undertaking via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contracts(s) in which the BTF is being transacted;

- (b) delivery month(s);
- (c) agreed futures price;
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the Repo transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

- (f) the counterparty identifier(s) for the Repo;
- (g) the coupon, maturity and ISIN code of the bond being “repoed”;
- (h) the nominal value and currency of the bond;
- (i) the clean price and dirty price for the opening leg of the trade;
- (j) the start and end dates for the repo; and
- (k) the repo rate.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.12, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing the cash leg such that the information in (f) – (k) above can be provided promptly to the Relevant Euronext market Undertaking.

4.2.13

Where a basis trade involves a government bond futures contract, a Swapnote[®] futures contract, one or more delivery month(s) of a short term interest rate futures contract, a Universal Stock Futures Contract or Single Stock Futures Contracts, or equity index futures contracts against an OTC option/options strategy, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract(s) in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the OTC options/options strategy transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

- (f) the price(s) (including currency) and nominal value of the OTC option/ options strategy;
- (g) the strike price(s) of the OTC option/options strategy;
- (h) class – call(s) and/or put(s);
- (i) the price(s) of the underlying instrument(s) for the OTC option/options strategy;
- (j) the time to expiration of the OTC option/options strategy; and
- (k) the delta of the OTC option/options strategy.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.13, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (k) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.14

Where a basis trade involves a Universal Stock Futures Contract or Single Stock Futures Contracts against a non-NYSE Liffe exchange traded option/options strategy, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract(s) in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the exchange traded options/options strategy transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

- (f) the exchange on which the option contract was executed;
- (g) the price(s) (including currency) and nominal value of the exchange traded option/ options strategy;

- (h) the strike price(s) of the exchange traded option/options strategy;
- (i) class – call(s) and/or put(s);
- (j) the price(s) of the underlying instrument(s) for the exchange traded option/options strategy;
- (k) the time to expiration of the exchange traded option/options strategy; and
- (l) the delta of the exchange traded option/options strategy.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.14, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (l) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.14A

Where a basis trade involves a Euro Swapnote[®] Futures, NYSE Liffe short term interest rate futures contract or Long Gilt futures contract against a non-NYSE Liffe exchange traded short term interest rate or bond futures contract, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) NYSE Liffe Futures Contract in which the BTF is being transacted;
- (b) delivery month(s);
- (c) agreed NYSE Liffe Futures Contract price(s);
- (d) number of Futures Contracts;
- (e) a unique identifier/reference number for the non-NYSE Liffe exchange traded short term interest rate or bond futures transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

- (f) the exchange on which the non-NYSE Liffe short term interest rate or bond futures contract was executed;
- (g) the type of futures contract executed;
- (h) the delivery month of the futures contract;
- (i) the price (including currency) and number of lots of the futures contract; and
- (j) where applicable, the identity and the conversion factor of the cheapest-to-deliver bond in respect of bond futures contract.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.14A, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (j) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.14B **[Deleted]**

4.2.14C Where a basis trade is an EFS involving a Robusta Coffee, Cocoa, White Sugar, Raw Sugar or Wheat Futures Contract against an OTC swap, the following details must be submitted via LIFFE CONNECT[®] by the basis trade executing Member:

- (a) Futures Contract in which the EFS is being transacted;
- (b) delivery month;
- (c) agreed futures price; and
- (d) number of lots of each Futures Contract.

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence in the form of a copy of the OTC contract itself.

The following information should be contained in the documentary evidence:

- (a) the fixed price or fixed price formulae of the swap, and who pays;
- (b) the floating price or floating price formulae of the swap, and who pays;
- (c) the termination/maturity date;
- (d) the effective (start) date of the swap;
- (e) the quantity of the swap position relating to the underlying commodity or the direct product of such commodity; and
- (f) the referenced futures delivery month.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.14C, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information above in (a) to (f) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.15 The basis trade details must be submitted on LIFFE CONNECT[®] as soon as practicable. In any event, details of the basis trade must be submitted by the basis trade executing member within fifteen minutes

of the time at which the basis trade was organised. Members must not delay submission of a basis trade. No basis trade can be submitted for execution later than five minutes prior to the close of trading of the Futures Contract in which the basis trade is being transacted. The Relevant Euronext Market Undertaking will check the validity of the details submitted by the executing Member. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures leg of the basis trade. The executing Member will then receive confirmation of the details of the trade.

4.2.16 **[Deleted]**

4.2.17 Details of the executed futures leg(s) of a basis trade will be submitted to Trade Registration by the Trading Host.

4.2.18 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with Rules and Trading Procedures.

4.2.19A With the exception of a basis trade which is an EFS in accordance with Trading Procedure 4.2.6(n), the following information with respect to the futures leg of a basis trade will be broadcast on LIFFE CONNECT®:

- (a) Futures Contract(s) and delivery month(s);
- (b) futures price(s); and
- (c) volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with the trade type indicator "J".

For each Exchange Contract, the cumulative volume of futures traded as the futures leg of basis trades/asset allocations during the day will also be published.

4.2.19B Where the basis trade is an EFS in accordance with Trading Procedure 4.2.6(n), the following information with respect to the futures leg of an EFS will be broadcast on LIFFE CONNECT®:

- Futures Contract(s) and delivery month(s); and
- volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with the trade type indicator "Z".

For each Exchange Contract, the cumulative volume of futures traded as the futures leg of basis trades/asset allocations during the day will also be published.

4.2.20 Both the long and short positions associated with the futures leg(s) of a basis trade will be passed to Trade Registration and matched under the basis trade executing Member's mnemonic.

4.2.21 Upon request by the Relevant Euronext Market Undertaking the basis trade executing Member must produce satisfactory evidence that the basis trades have been organised in accordance with the Rules and Trading Procedures. Basis trade executing Members must, therefore, be in a position to supply documentary evidence in connection with a basis trade, including, but not limited to, evidence confirming the cash leg of basis trades.

Basis trade executing Members may also be required from time to time by the Relevant Euronext Market Undertaking to request, and copy to it, confirmation of the details of the cash leg of a basis trade where another party was responsible for the execution of the cash leg.

4.3 Asset Allocations

4.3.1 NYSE Liffe provides an Asset Allocation Facility which allows Members to organise and execute, subject to this Trading Procedure 4.3, Transactions involving a specified combination of two Exchange Contracts in an appropriate ratio. For the purposes of these Trading Procedures such Transactions are called "asset allocations".

4.3.2 Any Member is permitted to arrange asset allocations, subject only to the Member having in place arrangements for the execution of the individual legs of the asset allocation via a Member holding a relevant trading right ("the asset allocation executing Member") to trade the asset allocation Exchange Contracts.

4.3.3 An asset allocation may be organised only during the trading hours of the Futures or Options Contracts concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.3.4 Asset allocations may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose. Such designations are published, from time to time by Notice and are detailed in Annexe One. Asset allocations are not permitted in respect of a delivery month or an expiry month of a designated contract which has never traded. The Asset Allocation Facility can be used in respect of a delivery month for a Futures Contract, or an expiry month for an Options Contract on any Trading Day up to and including the business day preceding the Last Trading Day of that delivery month or expiry month.

4.3.5 The asset allocation executing Member is responsible for assigning the price of the individual legs of an asset allocation. For the individual legs to be authorised, the prices must be at the level trading on LIFFE CONNECT[®] at the time the asset allocation is submitted for execution,

as specified in Trading Procedure 4.3.8A, or within the high/low traded price that occurred on LIFFE CONNECT[®] in the preceding thirty minutes. In the event that no trade has occurred in the relevant delivery month or expiry month on that day at the time the asset allocation is submitted for execution or in the preceding thirty minutes, the price of the individual legs of the asset allocation must be at or within the high/low traded price calculated by an Exchange maintained algorithm.

4.3.6 The hedge ratio considered acceptable will be either:

- (a) for contracts of the same duration or asset class (e.g. FTSE 100 Index futures versus FTSE Eurotop 100 Index futures) or where no duration bias applies (e.g. Long Gilt futures versus FTSE 100 Index futures): nominal value for nominal value (currency converted if applicable); or
- (b) for contracts of different duration along the same (e.g. Short Sterling futures versus Long Gilt futures) or different (e.g. Euro (EURIBOR) futures versus Long Gilt futures) yield curve: a method based upon the ratio of the basis point values of shifts in the yield curve of, respectively, the relevant futures legs.

4.3.7 After an asset allocation has been organised, the asset allocation executing Member (or where the asset allocation has been organised between two Members, the Member agreed by mutual consent), must submit the asset allocation details via LIFFE CONNECT[®], as specified in Trading Procedures 4.3.8A – 4.3.9, or must procure that the individual legs of the asset allocation are so executed by another appropriately authorised Member.

4.3.8 **[Deleted]**

4.3.8A In respect of each asset allocation submitted, the Member accepting the asset allocation order must record the order details prescribed by (a) to (j) below, on an order slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) time of organisation;
- (c) executing Member mnemonic;
- (d) each Contract in which the asset allocation is being transacted;
- (e) delivery month(s) of the Futures Contracts or expiry month(s) of the Options Contracts;

- (f) agreed futures prices or options premia;
- (g) number of lots of each Futures or Options Contract;
- (h) put / call indicators and the exercise price of the Options Contracts (if applicable);
- (i) name and signature of individual presenting the trade; and
- (j) time-stamp on execution.

4.3.8B All information required to be retained by the asset allocation executing Member, pursuant to Trading Procedures 4.3.8A, must be retained by the Member for five years.

4.3.9 The asset allocation details set out in Trading Procedure 4.3.8A (c) – (h), must be submitted to the Relevant Market Undertaking as soon as practicable. In any event, details of the asset allocation must be submitted by the asset allocation Executing Member within fifteen minutes of the time at which the asset allocation was organised. Members must not delay submission of an asset allocation. No asset allocation can be submitted for execution later than five minutes prior to the close of trading of the contracts concerned. In the case of contracts with different closing times, no asset allocation can be submitted for execution later than five minutes prior to the earliest close of trading of the contracts concerned. The Relevant Euronext Market Undertaking will check the validity of the asset allocation details submitted. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise execution of the asset allocation.

4.3.9A **[Deleted]**

4.3.10 **[Deleted]**

4.3.11 **[Deleted]**

4.3.12 **[Deleted]**

4.3.13 Authorisation of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

4.3.14 The following information with respect to the individual legs of the asset allocation will be published on LIFFE CONNECT®:

- (a) Futures Contracts and delivery month(s) or Options Contracts and expiry month(s);

- (b) futures prices or option premia; and
- (c) volume of futures or options traded.

In addition, these details will be distributed to Quote Vendors, marked with the trade type indicator “J”.

For each Exchange Contract, the cumulative volume of futures and options traded as asset allocations/basis trades during the day will also be published.

- 4.3.15 Both the long and short positions associated with the individual legs of the asset allocation will be entered to Trade Registration and matched under the asset allocation executing Member’s mnemonic.
- 4.3.16 Upon request by the Relevant Euronext Market Undertaking the asset allocation executing Member must produce satisfactory evidence that the asset allocation has been organised in accordance with the Rules and Trading Procedures. Asset allocation executing Members must, therefore, be in a position to supply documentary evidence in connection with an asset allocation.

4.4 Against Actuals

- 4.4.1 NYSE Liffe provides an Against Actuals (“AA”) Facility which allows Members to organise and execute, subject to this Trading Procedure 4.4, Transactions which relate directly to a specific identifiable underlying transaction in the same or similar physical commodity. Specifically, an AA is a Transaction between two parties involving the purchase or sale of a contract in the terms of an Exchange Contract and either:
 - (a) the simultaneous price fixing of a directly related contract for sale or purchase, which expressly contemplated price fixing; or
 - (b) the hedging of a directly related contemporaneous contract for sale or purchase.
- 4.4.2 AAs may be transacted only in respect of Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking from time to time for that purpose and published from time to time by Notice. The Exchange Contracts designated for AAs are set out in Annexe One to these Trading Procedures. AAs are not permitted in a delivery month of a designated contract which has never traded.
- 4.4.3 Any Member is permitted to arrange AAs, subject only to the Member having in place arrangements for the execution of the futures leg of the AA via a Member holding a relevant trading right (“the AA executing Member”) to trade contracts in terms of the AA Exchange Contract.

4.4.4 An AA may be organised only during the trading hours of the Exchange Contract concerned, as published by the Relevant Euronext Market Undertaking** from time to time by Notice.

4.4.5 When a Member accepts an AA order, he must record the order details set out in Trading Procedure 4.4.7 and, in addition, the details prescribed by (a) – (c) below, on an order record. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) identity of individual organising the AA; and
- (c) time stamp (at time of organisation).

All information required to be retained by the AA executing Member, pursuant to this Trading Procedure 4.4.5, must be retained by the Member for five years. After an AA has been organised the Member or, where the AA has been organised between two Members, the Member who will be the seller of the futures leg of the AA must submit details of the futures leg of the AA to the Relevant Euronext Market Undertaking via LIFFE CONNECT®, as specified in Trading Procedures 4.4.6 – 4.4.8, or must procure that the futures leg of the AA is so submitted by another appropriately authorised Member.

4.4.6 The AA executing Member is responsible for assigning the price of the futures leg(s) of the AA. For the futures leg(s) to be authorised, the price(s) must be in accordance with the following parameters:

Commodity contracts traded on The London Market

AAs must be transacted at any price within the price range established in respect of the delivery month to date.

Commodity contracts traded on The Paris Market

AAs must be transacted within the high low range of traded prices on that Trading Day or at or within the best bid and offer at the time at which the AA is organised.

4.4.7 The following details must be submitted via LIFFE CONNECT® by the AA executing Member:

- (a) Exchange Contract in which the AA is being transacted;
- (b) delivery month(s);
- (c) agreed futures price(s);
- (d) number of lots of each Exchange Contract; and

- (e) counterparty Member mnemonic.

In addition, and subject to Trading Procedure 4.4.15, the AA executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

either

- (i) a copy of the physical contract itself, if this was transacted at a specific outright price. The date of the physical contract must be the same as the date of registration of the futures leg;

or

- (ii) a copy of a price-fixation confirmation, together with a copy of the directly related contract which shows the price differential or ratio at which the contract was transacted. The date of the price-fixation confirmation must be the same as the date of registration of the futures leg;

and

- (iii) that the price (plus premium, less discount, or multiplied by ratio) equates to the price at which the AA was transacted;
- (iv) that the futures delivery month referred to in the physical contract or price-fixation confirmation is the same as that for which the AA was registered; and
- (v) that the physical contract or price-fixation confirmation relates to at least the equivalent amount of the underlying commodity or a related commodity.

4.4.8 Details of an AA Transaction must be submitted to the Relevant Euronext Market Undertaking by the AA executing Member as soon as practicable. In any event, details of the AA must be submitted by the AA executing Member within fifteen minutes of agreeing to execute the AA. Members must not delay submission of an AA. No AA can be submitted for execution later than five minutes prior to the close of the Exchange Contract in which the AA is to be executed. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures leg of the AA. The executing Member will then receive confirmation of the details of the trade.

4.4.9 **[Deleted]**

4.4.10 Details of the executed AA will be submitted to Trade Registration by the Trading Host.

4.4.11 The following information with respect to the futures leg of an AA will

be broadcast on LIFFE CONNECT®:

- Futures Contract(s) and delivery month(s); and
- Volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with the trade type indicator “J”.

For each Exchange Contract, the cumulative volume of futures traded as the futures leg of AA’s posted during the day will also be published.

4.4.12 Both the long and short positions associated with the futures leg(s) of an AA will be submitted to Trade Registration and matched under the AA executing Member’s mnemonic.

4.4.13 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

4.4.14 All information required to be retained by the AA executing Member, pursuant to Trading Procedure 4.4.7, must be retained by the Member for five years. If the AA executing Member is not directly responsible for the execution of the physical leg of the AA, he must have appropriate arrangements in place with the party organising/executing the physical leg such that the information in 4.4.7(i) – (v) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.4.15 Upon request by the Relevant Euronext Market Undertaking, the AA executing Member must provide satisfactory evidence that the AA has been executed in accordance with the Rules and Trading Procedures.

4.5 Block Trades

Introduction

4.5.1 The Block Trade Facility applies only to Exchange Contracts which have been designated as Block Trade Contracts by the Relevant Euronext Market Undertaking, as set out in Annexe One. The Block Trade Facility allows Members to organise and execute in accordance with these Trading Procedures, subject to Trading Procedure 4.5.2, Transactions involving Block Trade Contracts. For the purposes of these Trading Procedures such Transactions are called “Block Trades”.

4.5.2 Any Member is permitted to organise Block Trades, subject only to the Member being a Block Trade Executing Member or having in place arrangements for the execution of the Block Trade Contract(s) via a Block Trade Executing Member. A Block Trade Executing Member is a

Member holding the appropriate trading right entitling him to trade the relevant Block Trade Contract.

4.5.3 The Relevant Euronext Market Undertaking may designate a Member as a market-maker in a particular Exchange Contract and designate a Block Trade Contract as one for which a market-making participation right applies. Such designations are published from time to time by Notice and are detailed in Annexe One to these Trading Procedures.

4.5.4 For those Block Trade Contracts in which a market-maker participation right exists:

- (a) the designated market-maker shall be entitled, on an all-or-nothing basis, to participate in the Facilitating Side of any Block Trade in his designated Block Trade Contract in the amount specified from time to time by Notice and detailed in Annexe Three to these Trading Procedures;
- (b) where a Member arranges a Block Trade pursuant to these Trading Procedures, he must contact the designated market-maker before submitting such Block Trade to the Relevant Euronext Market Undertaking in order to confirm whether the market-maker wishes to participate in that Block Trade; and
- (c) where a Member procures the Facilitating Side of a Block Trade from a third party, he must make that third party aware, during such Block Trade negotiations, that the volume of his purchase or sale, as the case may be, may be reduced by an amount equal to the market-maker's entitlement, should the market-maker choose to accept his entitlement.

Block Trading Hours/Availability of the Facility

4.5.5 A Block Trade may be organised and submitted during the hours published by Notice by the Relevant Euronext Market Undertaking.

4.5.6 Unless specified otherwise by Notice, on the Last Trading Day of a delivery/expiry month the latest time that a Block Trade in respect of such month may be submitted shall be the time at which trading in such month ceases in the Central Order Book.

Minimum Volume Thresholds

4.5.7 Block Trades may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose, as set out in Annexe One. Such designations will be published, from time to time, by Notice, together with the minimum volume thresholds applying to those contracts and are detailed in Annexe Three to these Trading Procedures. Members are permitted to

enter into Block Trades in any Exchange recognised strategy (as set out in Annexe Two) including inter-contract spreads.

- 4.5.8 Where a strategy involves the trading of two or more different contracts (i.e. a recognised strategy), the smaller of the minimum volume thresholds of the contracts comprising the Block Trade will be applied to each of these contracts. Where the strategy involves the trading of two or more different delivery/expiry months and/or exercise prices of the same contract, the minimum volume threshold will apply to the lot size of each leg of the trade, except where specific provision has been made within the published minimum volume thresholds.
- 4.5.9 In respect of futures contracts designated as Block Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds nor may they combine separate orders in respect of different contracts to generate an inter-contract spread trade.
- 4.5.10 In respect of options contracts designated as Block Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume threshold on both sides of a Block Trade. However, where a Member receives a Block Trade order which meets or exceeds the relevant minimum volume threshold, he may aggregate orders on the matching side only, in order to facilitate execution of the Block Trade.
- 4.5.11 When executing a Block Trade and, in particular, when aggregating orders on the matching side to facilitate execution of a Block Trade according to the provisions of Trading Procedure 4.5.10, Members must ensure that:
- (a) they act with due skill, care and diligence; and
 - (b) the interests of the Client(s) are not prejudiced.

Fair Value

- 4.5.12 Members should ensure, when arranging, organising or executing Block Trades, that the price of any Block Trade being quoted represents a fair value for that trade. On each occasion of quoting a Block Trade price, the Member must, at the time, make it clear to the potential counterparty(ies), whether a Member or a non-Member Client, that the price being quoted is a Block Trade price.

Market-Maker Participation

- 4.5.13 Trading Procedures 4.5.3 to 4.5.4 and 4.5.13 to 4.5.15 apply only to those Block Trade Contracts designated as ones for which a market-making participation right applies.

4.5.14 Immediately after a Block Trade has been arranged the Member, or where the Block Trade has been arranged between two Members, the Member agreed by mutual consent, must contact the relevant designated market-maker informing him of the details of the Block Trade. The market-maker is entitled to place a Facilitating Side buy or sell order, as the case may be, with the Block Trade Executing Member, in the specified amount of the Block Trade's volume, within ten seconds of being informed of the details of the Block Trade.

4.5.15 The Block Trade must be submitted to the Relevant Euronext Market Undertaking, in accordance with Trading Procedure 4.5.19. Where a market-maker participation right exists, verbal agreement on the terms of the Block Trade shall be construed as having been reached when the market-maker has accepted or declined his participation right in respect of such Block Trade.

Block Trade Execution

4.5.16 Once a Block Trade has been organised and, where applicable, the designated market-maker has been contacted to ascertain whether he wishes to exercise his participation right, the Member, or where the Block Trade has been organised between two Members, the Member agreed by mutual consent, must submit the Block Trade details via LIFFE CONNECT[®], as specified in Trading Procedures 4.5.17 to 4.5.19, or must procure that the Block Trade is so submitted by another appropriately authorised Member. Where a Member is unable to execute the Block Trade himself, he must ensure that he has arrangements in place with another appropriately authorised Member to submit and execute Block Trades before he organises any such Block Trade.

4.5.17 In respect of each Block Trade order, the following details must be recorded on an order slip, or, where the Member employs an electronic system for order routing, must be recorded electronically, by the Block Trade Executing Member:

- (i) time of trade;
- (ii) Contract(s) in which the Block Trade is being transacted;
- (iii) strategy (as applicable)
- (iv) delivery/expiry month(s);
- (v) exercise price(s) (as applicable);
- (vi) price of each leg of the trade;
- (vii) number of lots of each leg of the trade including any volume executed on behalf of a designated market-maker, if applicable; and
- (viii) name of the individual authorised to submit Block Trades on behalf of the Member.

All information required to be retained by the Block Trade executing Member, pursuant to this Trading Procedure, must be retained by the Member for five years.

- 4.5.18 The individual submitting the Block Trade for execution must, if the Member requires regulatory authorisation, be authorised in a capacity which permits him to commit the Member to an “investment agreement”. It is the Member’s responsibility to ensure that only staff he has authorised organise or enter into Block Trades on his behalf. Members must also ensure that only staff they have authorised submit details of Block Trades to the Relevant Euronext Market Undertaking.
- 4.5.19 Once the Block Trade has been organised, the Block Trade Executing Member must submit details, contained in Trading Procedure 4.5.17 (ii) to (vii) inclusive, of the Block Trade to the Relevant Euronext Market Undertaking via LIFFE CONNECT[®] as soon as practicable. In any event, the details of the Block Trade must be submitted by the Block Trade Executing Member:
- (a) within five minutes in the case of a Block Trade which was not dependent on the execution of a transaction in another instrument, unless market conditions are exceptional; or
 - (b) within fifteen minutes in the case of:
 - (i) exceptional market conditions; or
 - (ii) a Block Trade which was dependent on the execution of a transaction in another instrument.
- 4.5.20 Members must not delay submission of a Block Trade.
- 4.5.21 The time limit for the submission of a Block Trade commences as soon as verbal agreement on the terms of the Block Trade is reached between the parties to the Block Trade.
- 4.5.22 For the purposes of Trading Procedure 4.5.19, a transaction in another instrument shall include any such transaction effected in the OTC market or on-exchange, including a Transaction in another Exchange Contract or Security effected on a NYSE Liffe market or a Euronext Securities Market.
- 4.5.23 Market conditions shall be regarded as exceptional during periods of increased trading activity or volatility, whether predictable or not, or at times of significant directional price movement or re-pricing (for instance, following relevant economic announcements).
- 4.5.24 **[Deleted]**

- 4.5.25 The Relevant Euronext Market Undertaking will check the validity of the Block Trade details submitted by the Block Trade executing Member. If the Relevant Euronext Market Undertaking (following consultation, where necessary, with the clearing house) is satisfied that all such details are valid, it will authorise execution of the Block Trade. The Block Trade volume will be shown as executed to the executing Member via the ITM through which the Block Trade was submitted.
- 4.5.26 Both the long and the short positions associated with the Block Trade will be submitted to Trade Registration by the LIFFE CONNECT[®] Trading Host and matched under the Block Trade executing Member's mnemonic. Any lots relating to the participation rights of a designated market-maker will then be allocated appropriately by the Block Trade executing Member.
- 4.5.27 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the instigation of enforcement procedures in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

Publication of Block Trades

- 4.5.28 Once the trade has been authorised, the following information with respect to the Block Trade will be published by the Relevant Euronext Market Undertaking with a trade type of "K":
- (i) Contract(s) and delivery/expiry month(s);
 - (ii) price of each delivery/expiry month(s) and exercise price(s) (as applicable); and
 - (iii) volume of each delivery/expiry month.

Details of the Block Trade will also be broadcast on LIFFE CONNECT[®]. For each Exchange Contract, the cumulative volume of Block Trades executed during the day will also be published.

- 4.5.29 Upon request by the Relevant Euronext Market Undertaking the Block Trade executing Member must produce satisfactory evidence that the Block Trade(s) has been organised in accordance with the Rules and these Trading Procedures.

PART TWO – NON-HARMONISED AND MARKET-SPECIFIC PROVISIONS

SECTION 1 – TRADING PROCEDURES IN RELATION TO THE BRUSSELS MARKET

For convenience, each provision in this Section 1 in relation to the Euronext Derivatives Market organised by Euronext Brussels (“The Brussels Market”) is prefixed with the letter “B”.

General

B.1 Application of Section 1

B.1.1 Provisions of this Section 1 of Part Two apply in addition to those contained in Part One and Part Two (where applicable) only to Derivatives admitted on the markets organised by Euronext Brussels.

Operation of LIFFE CONNECT®

B.2 Purge of the Central Order Book

B.2.1 Euronext Brussels may perform a purge of the orders recorded in the Central Order Book on a contract whose characteristics are altered further to corporate actions affecting the underlying security, as detailed in Trading Procedures B.17.

B.2.2 Likewise, for technical reasons or if trading in a given contract is suspended, Euronext Brussels can decide to cancel outstanding orders in the Central Order Book.

B.2.3 Irrespective of the reason, such purges of outstanding orders are published in a Notice that specifies whether Clients must renew their orders or whether Members must re-enter the purged orders on their own initiative.

B.3 General system failure

B.3.1 In the event of a general failure in LIFFE CONNECT® (central breakdown, breakdown in an important number of communication lines) as described in Trading Procedures 2.4, and if Euronext Brussels cannot restore the functioning of the system within a very short delay, Euronext Brussels shall implement its “Trading without LIFFE CONNECT®” procedure as described in Trading Procedure B.4.

B.4 “Trading without LIFFE CONNECT®”

B.4.1 As soon as the criteria for the implementation of the “Trading without LIFFE CONNECT®” procedures are met, Euronext Brussels shall notify this to the Members by all possible means. More specifically, Members are requested to refer to Reuters page BFOY and to the web page www.liffe.com/marketstatus concerning such announcements.

B.4.2 The message shall mention the period for which the trading may continue without LIFFE CONNECT®.

B.4.3 For the whole of that period, Members are authorised to execute Transactions on a bilateral basis, by telephone or by any other means Euronext Brussels recognises as valid, and for these contracts for which they have Trading rights.

Before executing such Transaction, a Member must inform the Client that it is not subject to a general order matching process and must obtain the Client's express approval.

B.4.4 Transactions must be executed within the price fluctuation limits specified by Euronext Brussels.

As soon as a Transaction has been concluded, each of the Members communicates its details to Euronext Brussels by way of a pre-established document. This document must include the following details:

- (a) Buy/sell;
- (b) Contract;
- (c) Contract months/strike;
- (d) Quantity;
- (e) Price;
- (f) Client identification (if applicable);
- (g) Counterparty (clearing member mnemonic); and
- (h) Time (including date).

B.4.5 The confirmation, time-stamped at the time of execution, must reach Euronext Brussels at the latest fifteen minutes after the conclusion of the Transaction.

B.4.6 If Euronext Brussels' fax equipment is out of use, Euronext Brussels shall by any possible means communicate to the Members the arrangements provided in that respect.

B.4.7 Euronext Brussels verifies all the fax messages as soon as they arrive and, if they match, registers the Transactions in the clearing system.

There will be no formal mechanism for Euronext Brussels to publish market prices during the Trading Day. Throughout each trading session, Euronext Brussels will regularly publish a summary of volume and price information relating to Transactions submitted by the Members through Reuters Page BFOY.

- B.4.8 Once the problems are solved, trading on LIFFE CONNECT[®] shall resume according to the following procedure: Pre-Opening, Market Open.

Euronext Brussels shall communicate to the Members the conditions for the resumption of trading through all available means (e.g. System text Messages, Reuters page BFOY, e-mail, web page www.liffe.com/marketstatus).

Trading on LIFFE CONNECT[®]

B.5 Account type identifier

- B.5.1 When submitting an order to LIFFE CONNECT[®], a Member must also submit an identifier denoting whether the order is for a house, Client or Liquidity Provider account.

B.6 [Deleted]

B.7 Liquidity Providers

- B.7.1 In order to guarantee liquidity in the Admitted Financial Instruments, Euronext Brussels can appoint one or more Liquidity Providers for each Belgian Derivative.

- B.7.2 Liquidity Providers can either be Designated or Non-Designated Liquidity Providers.

- B.7.3 The obligations of the Liquidity Providers are different for each Belgian Derivative and are described in the contract entered into between the Liquidity Provider(s) and the Exchange.

B.8 [Deleted]

B.9 [Deleted]

B.10 [Deleted]

B.11 Order removal at a Member's request

- B.11.1 Pursuant to Trading Procedure 3.5.1, Euronext Brussels may delete orders awaiting execution at a Member's request when justified by a technical malfunction of its trading access point. Such deletion is

performed on a best effort basis and cannot be guaranteed. Members remain responsible for their orders until Euronext Brussels gives confirmation of any cancellation.

B.11.2 Acceptance of a request for deletion is subject to any identification steps Euronext Brussels deems appropriate. It is the Member's responsibility to keep updated the contact details database maintained by Euronext Brussels for that purpose.

B.12 Trade invalidation

B.12.1 Pursuant to Trading Procedure 3.5.3, where Euronext Brussels determines that one or more constituent legs of a recognised strategy trade have been executed at an unrepresentative price in accordance with Trading Procedure 3.5.2, it may declare invalid the entire strategy trade.

B.13 [Deleted]

B.14 [Deleted]

B.15 [Deleted]

B.16 [Deleted]

B.17 [Deleted]

NYSE Liffe Trading Facilities

B.18 [Deleted]

SECTION 2 – TRADING PROCEDURES IN RELATION TO THE LONDON MARKET

For convenience, each provision in this Section 2 in relation to the Euronext Derivatives Market organised by LIFFE Administration and Management (“The London Market”) is prefixed with the letters “Lo”.

General

Lo.1 Application of Section 2

Lo.1.1 Provisions of this Section 2 of PART TWO apply (in addition to those contained in PART ONE, where applicable) only to Derivatives admitted on the market organised by LIFFE Administration and Management.

Lo.1.2 For the purposes of this section, “Exchange” means LIFFE Administration and Management.

Operation of LIFFE CONNECT®

Lo.2 Closing prices – Futures Contracts

Lo.2.1 This Trading Procedure Lo.2 applies to those contracts which have been designated as available for post-settlement trading. Two minutes prior to Market Close, a pre-close message will be transmitted to market participants to inform them of the impending Market Close.

Lo.2.2 Following Market Close, the Exchange will declare Closing Prices, which will be determined by the LIFFE CONNECT® central processing system, in the manner described in Trading Procedure 2.2.2, during the last thirty seconds of trading (known as the Closing Range). However, the Exchange will also monitor market activity in the time period after calculation of settlement prices, and indeed throughout the Trading Day, and may correct or amend Closing Prices, to ensure they are a fair reflection of the market.

Lo.2.3 Once determined, Closing Prices will be transmitted to market participants.

Lo.3 Introduction of a new series

Lo.3.1 (a) In relation to FTSE 100 Index Option Contract (European style) the series introduction policy is set out in Annexe One. The Exchange may apply an alternative scale of exercise price intervals if appropriate. Such alternative scales are notified by means of a Notice.

(b) When any other Index Option Contract is listed, or a new expiry month introduced, a minimum of nine exercise prices, always

including both a put and a call series in respect of each exercise price, will be made available for trading.

- (c) When a new Financial Option Contract is listed or a new expiry month is introduced, a series of exercise prices (always including both a put and a call series in respect of each exercise price) will be made available for trading on the basis set out in the contract specification.
- (d) In relation to Individual Equity Options Contracts, the series introduction policy is published by Notice. The Exchange may apply an alternative scale of exercise price intervals to specified Individual Equity Option Contracts if appropriate. Such alternative scales are also notified by means of a Notice.
- (e) When a new Commodity Options Contract is listed or a new expiry month introduced, a minimum of nine exercise prices, always including both a put and a call series in respect of each exercise price, will be made available for trading on the basis set out in the contract specification.

Lo.3.2

- (a) **[Deleted]**
- (b) For Index Option Contracts, with the exception of FTSE 100 Index Options, the exercise prices to be introduced shall be:
 - (i) the exercise price closest to the market price of the underlying equity index (i.e. the at-the-money exercise price); and
 - (ii) the next four exercise prices above, and the next four exercise prices below, the at-the-money exercise price.
- (c) **[Deleted]**

Lo.3.3

- (a) For Index Option Contracts, the exercise price of each series is fixed as follows:

Index Option Contracts 25, 50 or 100 point intervals, at 25, (other than FTSE 100 50 and/or 100 point levels Index Options)

- (b) For Financial Option Contracts the exercise prices of each series is fixed as follows:

Short Term Interest Rate (STIR) Options (including Mid-Curves)	12.5 basis point intervals in the first four quarterly expiry months and all relevant serial months and 25 basis point intervals for all other months
--	---

Bond Options	50 basis point intervals
--------------	--------------------------

Euro Swapnote [®] Options	
2 year	10 basis point intervals
5 year	25 basis point intervals
10 year	50 basis point intervals

If the Exchange considers that a new exercise price in respect of a Financial Options Contract is unrepresentative of the current market conditions, he may rule that such new exercise price will not be listed on the business day in question.

- (c) **[Deleted]**

- (d) For Commodity Option Contracts, the exercise price of each series is fixed as follows:

Cocoa	£25 per tonne intervals
-------	-------------------------

Robusta Coffee	\$25 per tonne intervals up to \$1,000; \$50 per tonne intervals above \$1,000.
----------------	--

White Sugar	\$10 per tonne intervals
-------------	--------------------------

Wheat	£1 per tonne intervals
-------	------------------------

Lo.3.4 The Exchange may permit the introduction of additional series for the commencement of trading in new Index Option Contracts. On occasions other than the commencement of trading in a new Index Option Contract, new series will be introduced on a particular business day for an Index Option Contract where the index value of the underlying index at any time during the previous business day:

- (a) exceeded the second highest exercise price of any existing series; or
- (b) fell below the second lowest exercise price of any existing series.

- Lo.3.5 If the Exchange considers that a new series should not be introduced, the Exchange may rule that a new series shall not be listed on the business day in question.
- Lo.3.6 The Exchange, taking account of such factors as appear to be relevant (for example, a period of high volatility in one or more expiry months of the Index Option Contract in question), may determine that new series in excess of the number which would be indicated by the criteria contained in section Lo.3.4 shall be listed on the next business day.

Trading on LIFFE CONNECT[®]

- Lo.4 [Deleted]**
- Lo.5 Delta Neutral Strategy Trades – LIFFE CONNECT[®] for Equity Options**
- Lo.5.1 Members may execute delta neutral trades involving a combination of an Individual Equity Options Contract and an appropriate number of offsetting Universal Stock Futures Contracts. A list of delta neutral trade types available for trading on LIFFE CONNECT[®] for Equity Options are specified by Notice from time to time and is contained in Annexe Two to these Trading Procedures.
- Lo.5.2 Both the Individual Equity Option Contracts and Universal Stock Futures Contracts comprising any order in respect of a delta neutral trade must be executed on behalf of the same Client or account, as the case may be.
- Lo.5.3 In order to execute delta neutral strategy trades on LIFFE CONNECT[®] for Equity Options, a Member must have in place a relevant trading licence for the trading of both the options and futures legs.
- Lo.5.4 In order to execute a delta neutral order, the Member must specify, in addition to the order details required for the options component, the name, volume and price of the Universal Stock Futures Contract as well as the delta. Members are required to quote an options price and a futures price consistent with the best bid and best offer available on LIFFE CONNECT[®] at the time.
- Lo.5.5 The options and futures price and the delta quoted will be checked against an Exchange maintained model in order to ensure the appropriateness of the order details used.
- Lo.5.6 A separate market will be created for each delta neutral trade order submitted with different option price(s) or delta details. A Member is not permitted to create a new delta neutral strategy market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new delta neutral strategy market in order to avoid his order(s) being entered to, and thereby interacting with, a delta

neutral strategy market with almost identical characteristics which has already been created.

Lo.6 [Deleted]

Lo.7 Counterparty data

Lo.7.1 All post-trade details will be published on an anonymous basis. However, for each trade, counterparty details will be made available to the compliance departments of the Members party to the trade three days after the trade was made for products traded on LIFFE CONNECT[®] for Futures and Options and ten days after the trade for products traded on LIFFE CONNECT[®] for Equity Options. This information is to be used for the purposes of compliance monitoring only. Members are required to keep this information confidential and not allow it to be disclosed to any person other than those within their compliance departments, or their professional advisors, except where required by law or applicable regulation. Failure to abide by this requirement will constitute a violation of this Trading Procedure Lo.7.

Lo.8 Offering improvements

Lo.8.1 Where a Member obtains a better price (i.e. an improvement) in the execution of a Client order then, subject to Trading Procedure Lo.8.3, the Member must offer that improvement in full to the Client.

Lo.8.2 For the avoidance of doubt, the provisions of Trading Procedure Lo.8.1 apply to any improvement, whether arising from an error or otherwise.

Lo.8.3 Where, in attempting to execute a Client order, a member buys or sells in accordance with the instruction in the order to buy or, as the case may be, to sell but trades the wrong delivery/expiry month or exercise price of the relevant Exchange Contract, the Member may offset any loss arising from that trade against any improvement achieved for the Client in the course of satisfying the Client's order. In such event, the Member must offer the net improvement, if any, to the Client.

Lo.9 Client order priority

Lo.9.1 Members must comply with this Trading Procedure Lo.9 in relation to the priority of Client orders in addition to any rules or requirements imposed by their respective regulatory bodies.

Lo.9.2 Members must ensure that, where they operate any electronic system which submits orders directly to LIFFE CONNECT[®] (e.g. order routing systems), their systems arrangements are compatible with the requirements in this Trading Procedure Lo.9.

Lo.9.3 Where orders are received in respect of the same contract/expiry month in a particular Derivative:

- (a) entering buy orders at different prices, the Member must rank the orders according to price and should attempt to execute the orders in consecutive order of price (i.e. taking the highest first); and
- (b) when entering sell orders at different prices, the Member must rank the orders according to price and should attempt to execute the orders in consecutive ascending order of price (i.e. taking the lowest first).

This Trading Procedure does not apply to any buy or sell order which carries special instructions of a nature which prevents either (a) or (b) above (as the case may be) from applying to it.

Lo.9.4 Where orders are received to buy or sell at the same price, the Member must rank the orders according to the time-stamp each bears. The Member must submit the buy or sell orders, as the case may be, in consecutive order taking the earliest first and the latest last albeit that, where the contract is subject to the pro-rata trading algorithm, orders may not be fully executed in the same sequence as that in which they were submitted to the Trading Host.

Lo.9.5 Members should manage actual or potential conflicts of interest when conducting Client business, including conflicts of interest between a Member and his Clients and between the Clients themselves. A Member who conducts business for Clients as well as for house or personal accounts should give priority to fulfilling Client orders.

Lo.9.6 In particular, it is prohibited for Members to:

- (a) make;
- (b) influence others to make; or
- (c) deliberately provide information which allows others to make,

trading decisions based on the knowledge of any order which has not yet been fully submitted to the market, except, in the case of (b) and (c) above, to procure matching business in accordance with Trading Procedure 3.4. Any Member who makes trading decisions having received any such information may also be in breach of this Trading Procedure.

Lo.9.7 A Member may aggregate a number of orders at the same price providing that:

- (a) it is unlikely that the aggregation will operate to the disadvantage of any of the Clients whose orders have been aggregated;
- (b) the Member has disclosed to each Client involved that his order may be aggregated; and

- (c) any resulting trades are assigned either:
 - (i) according to the provisions of Trading Procedure Lo.9.4;
or
 - (ii) in some other similarly fair and equitable manner, provided that each Client is advised of the method of assignment.

Lo.10 Trading for beneficial interest

Lo.10.1 A Responsible Person, director, partner, employee, agent or representative of a Member is deemed to be obtaining beneficial interest from a trade in one of two ways:

- (a) where he has his own personal account, and is therefore acting as a Client of the Member, or has a direct personal interest in the house account of the Member (these types of accounts are each referred to as a “personal account” in this Trading Procedure Lo.10).
- (b) where, on a discretionary basis, he has been or is likely to be included within a profit sharing scheme based upon the profits of the house account of the Member of which he is a Responsible Person, officer, director, partner, employee, agent or representative.

Lo.10.2 The procedures to be adopted in respect of a personal account are as follows:

- (a) to trade for his personal account the individual must have approval from his Member;
- (b) all transactions must be separately recorded and identified in the accounting records of the Member;
- (c) transactions must be cleared and margined as for any other Client transaction;
- (d) transactions must be monitored by senior management of the authorising Member which is independent of the Responsible Person, officer, director, partner, employee, agent or representative concerned; and
- (e) the independent senior management referred to in (d) above must maintain procedures to ensure that such trading is not prejudicial to the interests of the Member’s Clients.

Lo.10.3 The Responsible Person, officer, director, partner, employee, agent or representative of a Member must use his Member to handle his

account in respect of his personal transactions in Exchange Contracts; he may not be the Client of another Member.

Lo.10.4 A Member must not treat persons who are connected with the Member more favourably in relation to research recommendations than customers who are not connected with the Member but who are in all material respects comparable to those connected persons.

Lo.11 Order removal at a Member's request

Lo.11.1 Where a Member is experiencing technical difficulties in relation to LIFFE CONNECT[®], the Exchange may delete orders in the Central Order Book at the Member's request, on a best endeavours basis and at the Exchange's absolute discretion.

Lo.12 Trade invalidation

Lo .12.1 Pursuant to Trading Procedure 3.5.3, where the Exchange determines that one or more constituent legs of a recognised strategy trade have been executed at an unrepresentative price in accordance with Trading Procedure 3.5.2, it may declare invalid the entire strategy trade.

Lo.13 Pricing of basis trades

Lo.13.1 Pursuant to Trading Procedure 4.2.5, with the exception of a basis trade which is an EFS in accordance with Trading Procedure 4.2.6(n), for a basis trade to be authorised, the price of the future leg(s) must be at the level trading on LIFFE CONNECT[®] at the time the basis trade is submitted for execution or within the high/low traded price that occurred on LIFFE CONNECT[®] in the preceding thirty minutes. In the event that no trade has occurred in the relevant delivery month on that day at the time the basis trade is submitted for execution or in the preceding thirty minutes, the price of the futures leg(s) must be at or within the high/low traded price calculated by the Exchange maintained algorithm.

Where the basis trade is an EFS in accordance with Trading Procedure 4.2.6(n), for the futures leg(s) to be authorised the price(s) assigned must be within the price range established to date in respect of the delivery month in the relevant Exchange Contract.

Lo.14 [Deleted]

SECTION 3 – TRADING PROCEDURES IN RELATION TO THE PARIS MARKET

For convenience, each provision in this Section 3 in relation to the Euronext Derivatives Markets organised by Euronext Paris (“The Paris Market”) is prefixed with the letter “P”.

General

P.1 Application of Section 3

P.1.1 Provisions of this Section 3 of PART TWO apply (in addition to those contained in PART ONE, where applicable) only to Derivatives admitted on the markets operated by Euronext Paris.

The Operation of LIFFE CONNECT®

P.2 Evening trading session

P.2.1 Business executed during the evening trading session shall be treated as business executed on the following Trading Day.

P.3 Purge of Central Order Book

P.3.1 Market Services perform a comprehensive purge of orders recorded in the Central Order Book on a contract whose characteristics are altered further to corporate actions affecting the underlying security.

P.3.2 Likewise, for technical reasons or if trading in a given contract is suspended, Market Services can decide to cancel outstanding orders in the Central Order Book.

P.3.3 Irrespective of the reason, such comprehensive purges of outstanding orders are published in a Notice which specifies whether Clients must renew their orders or whether Members must re-enter the purged orders on their own initiative.

P.4 Emergency non-automated trading

P.4.1 In the circumstances described in Trading Procedure 2.4, Market Services can implement an alternative procedure for registering transactions unconsummated within the framework of the general order-matching mechanism. In such a case, Members are authorised to execute transactions on a bilateral basis, using any method of communication that trading Members recognise to be valid.

Before executing a trade for a Client in non-automated trading, a Member must inform the Client that such trades are not subject to a

general order matching process and must obtain the Client's express approval. Moreover, the trade confirmation must state that the order was executed in non-automated trading.

P.4.2 Trading Members are informed of the opening and closing of non-automated trading, including the contracts concerned, using whatever modes of communication are deemed appropriate, including LIFFE CONNECT[®] messages or dissemination of a message to a Quote Vendor.

Transactions must be executed within the price fluctuation limits specified by Euronext Paris.

Once a trade has been concluded, both counterparties communicate immediately with Market Services in order to register the characteristics of the trade, according to the procedures outlined in the non-automated trading manual. Data-entry errors contested through Market Services can be reported to Euronext Paris until the close of the next Trading Day, with both counterparties sending a fax to Market Services.

P.4.3 Euronext Paris publishes for each derivative financial instrument the high and low prices and quantities traded for the relevant trading day, once all alternative-mode trades have been registered.

Trading on LIFFE CONNECT[®]

P.5 Account type identifier

P.5.1 When submitting an order to LIFFE CONNECT[®], a Member must also submit an identifier denoting whether the order is for a house, Client or Liquidity Provider account.

P.6 [Deleted]

P.7 [Deleted]

P.8 [Deleted]

P.9 [Deleted]

P.10 Trade Invalidation

P.10.1 Pursuant to Trading Procedure 3.5.3, where Euronext Paris determines that one or more constituent legs of a recognised strategy trade have been executed at an unrepresentative price in accordance with Trading Procedure 3.5.2, it may declare invalid only the leg or legs deemed to have been executed at an unrepresentative price, leaving all other constituent legs of the recognised strategy trade unaffected.

P.11 Order removal at a Member's request

P.11.1 Euronext Paris may delete orders awaiting execution at a Member's request when justified by a technical malfunction of its trading access point. Such deletion is performed after a time period which depends on the available time of employees in Market Services, taking account of the priority to be given to the legal duties assigned to a regulated market.

P.11.2 Acceptance of a request for deletion is subject to any identification steps Market Services deem appropriate. It is the Member's responsibility to keep updated the contact details database maintained by Market Services for that purpose.

P.12 [Deleted]

P.13 Basis Trading Facility

P.13.1 Notwithstanding the relevant restriction contained in Trading Procedure 4.2.4, the Basis Trading Facility can be used in respect of a delivery month for a Futures Contract on any Trading Day including the Last Trading Day of that delivery month.

P.13.2 Pursuant to Trading Procedure 4.2.5, for a Basis Trade to be authorised, the price of the future leg(s) must be within the high/low range of traded prices on LIFFE CONNECT[®] that Trading Day or at or within the best bid and offer, for the Derivative concerned, at the time the basis trade is organised.

SECTION 4 – TRADING PROCEDURES IN RELATION TO THE LISBON MARKET

For convenience, each provision in this Section 4 in relation to the Euronext Derivatives Market organised by Euronext Lisbon is prefixed with the letters “Li”.

Li.1 Application of Section 4

Li.1.1 Provisions of this Section 4 of PART TWO apply (in addition to those contained in PART ONE, where applicable) only to Derivatives admitted on the markets organised by Euronext Lisbon (“The Lisbon Market”).

Li.1.2 For the purposes of this section, “Exchange” means Euronext Lisbon.

Li.2 Account type identifier

Li.2.1 When submitting an order to LIFFE CONNECT[®], a Member must also submit an identifier denoting whether the order is for a house, Client or Liquidity Provider account.

Li.3 [Deleted]

Li.4 Offering improvements

Li.4.1 Where a Member obtains a better price (i.e. an improvement) in the execution of a Client order then, the Member must offer that improvement in full to the Client.

Li.5 Client order priority

Li.5.1 Members must comply with this Trading Procedure Li.5 in relation to the priority of Client orders in addition to any rules or requirements imposed by their respective regulatory bodies.

Li.5.2 Members must ensure that, where they operate any electronic system which submits orders directly to LIFFE CONNECT[®] (e.g. order routing systems), their systems arrangements are compatible with the requirements in this Trading Procedure Li.5.

Li.5.3 Where orders are received to buy or sell at the same price, the Member must rank the orders according to the time-stamp each bears. The Member must submit the buy or sell orders, as the case may be, in consecutive order taking the earliest first and the latest last albeit that, where the contract is subject to the pro-rata trading algorithm, orders may not be fully executed in the same sequence as that in which they were submitted to the Trading Host.

Li.5.4 Members should manage actual or potential conflicts of interest when conducting Client business, including conflicts of interest between a Member and his Clients and between the Clients themselves. A

Member who conducts business for Clients as well as for house or personal accounts should give priority to fulfilling Client orders.

Li.5.5 In particular, it is prohibited for Members to:

- (a) make;
- (b) influence others to make; or
- (c) deliberately provide information which allows others to make

trading decisions based on the knowledge of any order which has not yet been fully submitted to the market, except, in the case of (b) and (c) above, to procure matching business in accordance with Trading Procedure 3.4. Any Member who makes trading decisions having received any such information may also be in breach of this Trading Procedure.

Li.5.6 A Member may aggregate a number of orders at the same price providing that:

- (a) it is unlikely that the aggregation will operate to the disadvantage of any of the Clients whose orders have been aggregated;
- (b) any resulting trades are assigned either:
 - (i) according to the provisions of Trading Procedure Li.5.3; or
 - (ii) in some other similarly fair and equitable manner, provided that each Client is advised of the method of assignment.

Li.6 Trading for beneficial interest

Li.6.1 A Responsible Person, director, partner, employee, agent or representative of a Member is deemed to be obtaining beneficial interest from a trade in one of two ways:

- (a) where he has his own personal account, and is therefore acting as a Client of the Member, or has a direct personal interest in the house account of the Member (these types of accounts are each referred to as a "personal account" in this Trading Procedure Li.6).
- (b) where, on a discretionary basis, he has been or is likely to be included within a profit sharing scheme based upon the profits of the house account of the Member of which he is a Responsible Person, officer, director, partner, employee, agent or representative.

Li.6.2 The procedures to be adopted in respect of a personal account are as follows:

- (a) to trade for his personal account the individual must have approval from his Member;
- (b) all transactions must be separately recorded and identified in the accounting records of the Member;
- (c) transactions must be cleared and margined as for any other Client transaction;
- (d) transactions must be monitored by senior management of the authorising Member which is independent of the Responsible Person, officer, director, partner, employee, agent or representative concerned; and
- (e) the independent senior management referred to in (d) above must maintain procedures to ensure that such trading is not prejudicial to the interests of the Member's Clients.

Li.6.3 The Responsible Person, officer, director, partner, employee, agent or representative of a Member must use his Member to handle his account in respect of his personal transactions in Euronext Lisbon contracts; he may not be the Client of another Member.

Li.6.4 A Member must not treat persons who are connected with the Member more favourably in relation to research recommendations than customers who are not connected with the Member but who are in all material respects comparable to those connected persons.

Li.7 Order removal at a Member's request

Li.7.1 Where a Member is experiencing technical difficulties in relation to LIFFE CONNECT[®], the Exchange may delete orders in the Central Order Book at the Member's request, on a best endeavours basis and at the Exchange's absolute discretion.

Li.8 [Deleted]

Li.9 Pricing of basis trades

Li.9.1 Pursuant to Trading Procedure 4.2.5, for a basis trade to be authorised, the price of the future leg(s) must be at the level trading on LIFFE CONNECT[®] at the time the basis trade is submitted for execution or within the high/low traded price that occurred on LIFFE CONNECT[®] in the preceding thirty minutes. In the event that no trade has occurred in the relevant delivery month on that day at the time the basis trade is submitted for execution or in the preceding thirty minutes, the price of the futures leg(s) must be at or within the high/low traded price calculated by the Exchange maintained algorithm.

Li.10 Technical incidents related to the underlying assets

Li.10.1 Euronext Lisbon may define, by Instruction, the procedures to be adopted in case of technical incidents related to the underlying of Stock Futures Contracts.

Li.11 Trade invalidation

Li.11.1 Pursuant to Trading Procedure 3.5.3, where Euronext Lisbon determines that one or more constituent legs of a recognised strategy trade have been executed at an unrepresentative price in accordance with Trading Procedure 3.5.2, it may declare invalid the entire strategy trade.

SECTION 5 – TRADING PROCEDURES IN RELATION TO THE AMSTERDAM MARKET

For convenience, each provision in this Section 5 in relation to the Euronext Derivatives Markets organised by Euronext Amsterdam, is prefixed with the letter “A”. Definitions in this Section, which are valid for the Amsterdam markets only, can be found in the General Rules for Euronext Amsterdam Derivative Markets.

A.1 Application of Section 5

A.1.1 Provisions of this Section 5 of Part Two apply in addition to those contained in Part One and Part Two (where applicable) only to Derivatives admitted on the markets organised by Euronext Amsterdam (“The Amsterdam Market”).

A.2 Introduction and deletion of series

A.2.1 Euronext Amsterdam shall, at its discretion, decide on the introduction, deletion and suspension of Option series. In case of an introduction or deletion of series, Euronext Amsterdam may consult Members who trade the particular Class(es). If market circumstances so require, Euronext Amsterdam may vary its policy.

A.2.2 Option series can be **deleted or suspended**, at the discretion of Euronext Amsterdam, if corresponding call and put series both have no open interest, except

- (i) in case of a just in-, or just out-of-the-money series, or
- (ii) if there is another series at least as far-in-the money (or out-of-the-money) with the same Expiration Date that does not satisfy the criterion for deletion, or if
- (iii) there is another series with that same Exercise Price but with a later Expiration Date that does not satisfy the criterion for deletion.

A.2.3 Procedures for **introduction** of series are as follows:

A. Individual Equity Options

Procedures for the introduction of Individual Equity Option Contracts are defined by means of a Notice.

- (i) **[Deleted]**
- (ii) Unless Euronext Amsterdam decides otherwise, introduction of expiry months will take place on the first Trading Day after expiration of the front month.
- (iii) **[Deleted]**
- (iv) **[Deleted]**
- (v) **[Deleted]**
- (vi) **[Deleted]**
- (vii) **[Deleted]**
- (viii) **[Deleted]**

B. Equity Index Options

Procedures for the introduction of Equity Index Contracts are defined by means of a Notice.

- (i) **[Deleted]**
- (ii) Unless Euronext Amsterdam decides otherwise, introduction of expiry months will take place on the first Trading Day after expiration of the front month.
- (iii) **[Deleted]**
- (iv) **[Deleted]**
- (v) **[Deleted]**
- (vi) **[Deleted]**
- (vii) **[Deleted]**.

C. Currency Classes

Procedures for the introduction of Currency Option Contracts are defined by means of a Notice.

- (i) **[Deleted]**

(ii) Unless Euronext Amsterdam decides otherwise, introduction of expiry months will take place on the first Trading Day after expiration of the front month.

(iii) **[Deleted]**

(iv) **[Deleted]**

(v) **[Deleted]**

(vi) **[Deleted]**

D. Commodity Classes

(i) **[Deleted]**

(ii) **[Deleted]**

(iii) **[Deleted]**

(iv) **[Deleted]**

(v) **[Deleted]**

A.3 Corporate Actions

A.3.1 Any adjustment of Options Contracts and/or Futures Contracts will be determined in accordance with the policy of Euronext Amsterdam in relation to Corporate Actions unless Euronext Amsterdam, in its absolute discretion, determines otherwise. The policy relating to Corporate Actions will be published from time to time by means of one or more Notices. Any adjustment shall be published in one or more Notices and shall have such effect with regard to existing and/or new Option Contracts and/or Futures Contracts as Euronext Amsterdam may determine.

A.4 Matched Trades and Clearing

A.4.1 In order to trade on the market, each Member must have on file with Euronext Amsterdam an unrevoked and valid Statement of Authority from a Clearing Member, to be approved by Euronext Amsterdam, under which the Clearing Member commits to guarantee his matched trades.

A.4.2 Upon receipt by the Clearing House of the matched trades and pursuant to the Statement of Authority, the applicable legislation and Regulations of the Clearing House, all trades shall be discharged by novation. In place of the matched trades there will be contracts in the same terms between the applicable Clearing Members and the

Clearing House as well as back-to-back contracts between the Clearing Member and the Member.

A.5 Restrictions to Trading

A.5.1 Euronext Amsterdam shall continuously review all circumstances affecting trading, including any closure of the underlying Principal Market. Euronext Amsterdam may determine to restrict or suspend trading in any Class or series whenever Euronext Amsterdam deems it necessary or appropriate to do so in order to maintain a fair and orderly market, for a period to be determined by Euronext Amsterdam.

A.6 Trading on LIFFE CONNECT®

A.6.1 Euronext Amsterdam may publish procedures from time to time requiring additional details to be included when submitting orders to LIFFE CONNECT®. Such details may be necessary, for example, to facilitate Account Authorisations or the processing of the cash leg of a stock contingent trade.

A.7 Prof Transactions

A.7.1 A Prof Transaction can be executed in any Derivative admitted on the Euronext Derivatives Markets organised by Euronext Amsterdam. Euronext Amsterdam may exclude any Derivative from a Prof Transaction.

A.7.2 Professional investors and non-professional investors are allowed to take part in Prof Transactions.

A.7.3 A professional investor is an investor as defined in article 1.1 of the Act of Financial Services 2006 (Wet op het Financieel Toezicht, WFT), as may be amended from time to time. A non-professional investor is an investor that does not fall under the definition of a professional investor.

A.7.4 The following professional investors are allowed to participate in Prof Transactions in the manner described below:

- professional investors that are not Members of Euronext Amsterdam Derivatives Markets are only allowed to trade Prof Transactions for their own account;
- professional investors that are Members of Euronext Amsterdam Derivatives Markets but do not exercise the capacity of Broker are only allowed to trade Prof Transactions for their own account;
- professional investors that are Members of Euronext Amsterdam Derivatives Markets and exercise the capacity of Broker are allowed to trade Prof Transactions for their own account and may also intermediate in Prof Transactions on behalf of their Clients. These Clients must meet one of the following criteria:

- the Client must comply with the definition of a professional investor as described in A.7.3, or
- the Client must have signed a client agreement allowing it to participate in Prof Transactions.

- A.7.5 Members that are able to act for Clients in Prof Transactions must be able to prove to Euronext Amsterdam that the Clients for whom they act meet one of the criteria mentioned in Trading Procedure A.7.4.
- A.7.6 Members that execute Prof Transactions for professional investors must be able to prove to Euronext Amsterdam that such investors qualify as professional investors.
- A.7.7 Members that execute Prof Transactions for non-professional investors must conclude a client agreement with each non-professional investor before executing Prof Transactions for such investor.
- A.7.8 A contract concluded from a Prof Transaction is fungible with contracts concluded via the Central Order Book. Once a Prof Transaction has been accepted for clearing, the resulting position is settled and recorded in the same way as a position is created in the Central Order Book.
- A.7.9 The minimum permissible volume of a Prof Transaction will be announced in a Notice. The party who initiates the Prof Transaction has to comply with this minimum volume. No volume restrictions apply to the counterparties of Prof Transactions.
- A.7.10 The standard minimum tick size for Prof Transactions will be announced by Notice.
- A.7.11 Prof Transactions can be entered in the Euronext Trading Platform as announced in a Notice.
- A.7.12 Multiple Orders can be executed as a Prof Transaction. The volume of the different parts of the Multiple Order are added together for the purpose of determining the total size of the transaction.
- A.7.13 Delta neutral trades (index options against futures) as outlined in PART ONE Trading Procedure 3.9 can be executed as Prof Transactions.
- A.7.14 Without prejudice to article 4:90a of the Act on Financial Supervision (WFT). Members are permitted under certain circumstances to execute a batch order relating to asset management activities as a Prof Transaction. The aforementioned is allowed under the following circumstances:
- the client agreement between the Member and the non-professional investor must permit participation in Prof Transactions, and

- the non-professional investor must be fully aware of the non-standard features of trading on unregulated markets and of Prof Transactions, and
- asset management agreements must have been signed beforehand.

A.7.15 A Prof Transaction is effected when the transaction is reported to Euronext Amsterdam. The entire Prof Transaction must be reported within the time set by Euronext Amsterdam as announced in a Notice. In case the Prof Transaction is not reported within the set time, Euronext Amsterdam can take any measure as announced in a Notice.

A.7.16 A Member is able to report Prof Transactions for professional investors. A Member that acts for two parties in a Prof Transaction can report both sides of the transaction, provided that both parties have authorised him to do so.

A.7.17 Euronext shall publish Prof Transactions in accordance with Rule 5704/2.

A.8 Authority of the Observer and the Commission for Extraordinary Circumstances for Commodity Products

A.8.1 Subject to the authority of Euronext Amsterdam the Observer shall supervise trading and may take any measures to ensure the proper operation of the derivative markets, which may include, but will not be limited to, deletion of trades. All Members are obliged to follow instructions given by an Observer. Euronext Amsterdam shall not be liable for any damages arising from errors made by the Observer.

A.8.2 An Observer may declare a fast market whenever this is appropriate in view of the market circumstances.

A.8.3 In extraordinary circumstances Euronext may convene the Commission for Extraordinary Circumstances for the Euronext Amsterdam Commodity Products. The Commission may in such circumstances decide on the liquidation of open positions and on the price at which the open positions will be settled.

The Commission for Extraordinary Circumstances for the Euronext Amsterdam Commodity Products consists of three members:

- Euronext Amsterdam and the Clearing House jointly appoint one member. This member will be the chairman of the Commission for Extraordinary Circumstances for the Euronext Amsterdam Commodity Products;
- the Clearing House appoints one member; and
- Euronext Amsterdam appoints one member

In case a member is unable to attend a meeting of the Commission for Extraordinary Circumstances for the Euronext Amsterdam Commodity Products, the organisation that appointed the member concerned will ad hoc appoint a temporary member. This temporary member has the same authority as the (normal) member. The temporary membership expires once the member is able to attend again.

A.9 Minimum price movements for Options and Futures

A.9.1 Euronext Amsterdam sets the minimum price movements and minimum price for each of the Classes for Options and Futures.

A.10 Trade matching Primary Market Makers and/or Competitive Market Makers

A.10.1 Pursuant to Trading Procedure 3.3.1, in case of two or more bids or offers of the same price, Euronext Amsterdam may determine and publish by Notice that the relevant bids or offers sent to the market by Primary Market Makers and/or Competitive Market Makers may have priority up to a certain percentage of the trade to be determined at the discretion of Euronext Amsterdam.

A.11 Order removal at a Member's request

A.11.1 Where a Member is experiencing technical difficulties in relation to LIFFE CONNECT[®], the Exchange may delete orders at the Member's request, on a best endeavours basis and at the Exchange's absolute discretion. Euronext Amsterdam shall not be liable for any damages arising from order removal.

A.12 Trade Invalidation

A.12.1 Pursuant to Trading Procedure 3.5.3, where Euronext Amsterdam determines that one or more constituent legs of a recognised strategy trade have been executed at an unrepresentative price in accordance with Trading Procedure 3.5.2, it may declare invalid only the leg or legs deemed to have been executed at an unrepresentative price, leaving all other constituent legs of the recognised strategy trade unaffected.

A.13. Order execution

A.13.1 When executing orders, Members will record the order in the Trading Host in all material details (including, if applicable, marking it as a public order, and if so, whether the order is an opening or closing order and specifying the account of the Client).

A.14 Uncrossing

- A.14.1 Pursuant to PART ONE Trading Procedure 3.3.2, the Trading Host will not run the uncrossing algorithm at Market Open for equity and equity index option contracts until a trade price of the relevant underlying has been received.

- A.14.2 Notwithstanding the requirements of Trading Procedure A.14.1, the Exchange may, in its absolute discretion, cause the uncrossing algorithm to be run and for contracts to open in the event that no underlying trade price is received.

A.15 Settlement Prices – Options Contracts

- A.15.1 Pursuant to PART ONE Trading Procedure 2.3.2 (d), the settlement prices for all Euronext Amsterdam Options Contracts will be calculated by reference to the bids and offers quoted on LIFFE CONNECT®.