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UK INDIVIDUAL EQUITY OPTIONS AND FTSE 100 INDEX OPTIONS

RENEWAL OF THE PRIMARY MARKET MAKER AND PRIMARY LIQUIDITY PROVIDER SCHEMES FOR UK INDIVIDUAL EQUITY OPTIONS AND THE PRIMARY MARKET MAKER SCHEME FOR THE FTSE 100 INDEX OPTION AND THE INTRODUCTION OF TWO NEW PRIMARY LIQUIDITY PROVIDER SCHEMES FOR THE FTSE 100 INDEX OPTIONS

Executive Summary

This Info-Flash invites Members to participate in the Primary Market Maker and the modified Primary Liquidity Provider Schemes for UK Individual Equity Options ("UK IEOs") and the Primary Market Maker Scheme and the new Primary Liquidity Provider Schemes for FTSE 100 Index Options ("FTSE Options").

1. Introduction

1.1 This Info-Flash informs Members of the renewal of the Exchange's Liquidity Provider Schemes ("ELPS") on amended terms, the introduction of two new Schemes for FTSE 100 Index Options, (together the "Schemes") and invites Members and appropriate clients of Members to apply. The Schemes comprise the following:

(a) Primary Liquidity Provider ("PLP") Scheme for the "Target Group" of the 30 most liquid UK IEOs;

(b) Primary Market Maker ("PMM") Scheme for all UK IEOs (both "Target Group" and "Non-Target Group" options);

(c) PMM Scheme for FTSE 100 Index Options ("FTSE Options");

(d) PLP Scheme for FTSE Options for "short-term expiries"; and

(e) PLP Scheme for FTSE Options for "long-term" expiries.

1.2 Those appointed will benefit from transaction fee reductions (effected through rebates) in return for fulfilling quantified market obligations and will gain benefit from the ability to submit Market Making Orders ("MMOs") to LIFFE CONNECT®.

1.3 The Schemes will come into effect on Wednesday 1 July 2009 and will remain in place until close of business on Wednesday 30 June 2010.

1.4 The details of the Schemes are explained in the remainder of this Info-Flash. They should be read in conjunction with the description of ELPS functionality, which is contained in Attachment 1 to this Info-Flash.

2. PLP for Target Group (TG) UK IEOs

2.1 This PLP Scheme will cover the 30 most liquid UK IEOs (the "Target Group") which are available for trading on the London market. The obligation for a PLP in a Target Group class is to cover 2 In–The-Money ("ITM") and 8 Out-of-The-Money ("OTM") series with a remaining lifetime of up to and including 13 months.

2.2 In order to benefit from the maximum transaction fee reduction, PLPs will be required to provide two-way prices for 90% of the trading day (referred to as the "Continuous Measurement"), for 90% of the first 5 minutes of the trading day (referred to as the "Opening Measurement") and for 90% of the last 5 minutes of the trading day ("referred to as the "Closing Measurement").

2.3 There will be a maximum of 4 PLP roles per Target Group class.

2.4 If a Member applies to be a PLP he may choose between 20 and 30 UK IEOs in the Target Group in which he is interested in being a PLP (subject to there being a maximum of 4 PLPs per option class). When selecting the PLPs NYSE Liffe may take into account previous liquidity provider performance and may also take into account the number of classes in which the Member is willing to act as a PLP.

3. PMM role for Target Group (TG) UK IEOs

3.1 A PMM for the Target Group will have an obligation to make markets in a specified number of series with a remaining lifetime of up to and including 13 months in the Near-The-Money ("NTM") area (please see Attachment 2 to this Info-Flash for the definition of the NTM area).

3.2 In order to benefit from the maximum transaction fee reduction, PMMs will be required to provide two-way prices for 90% of the trading day (the "Continuous Measurement"), for 90% of the first 5 minutes of the trading day (the "Opening Measurement") and for 90% of the last 5 minutes of the trading day (the "Closing Measurement").

3.3 6 PMM roles will be made available for each Target Group option class.

3.4 If a Member applies to be a PMM he may choose between 20 and 30 UK IEOs in the Target Group in which he is interested in being a market maker (subject to there being a maximum of 6 PMMs per option class).

4. PMM role for Non-Target (NTG) UK IEOs

4.1 All UK IEOs not belonging to the Target Group are considered to be Non-Target Group classes. At present, there are 62 UK IEOs in the Non-Target Group.

4.2 A PMM will have an obligation to make markets in a specified number of series with a remaining lifetime of up to and including 9 months in the NTM area (please see Attachment 2).

4.3 In order to benefit from the maximum transaction fee reduction, PMMs will be required to provide two-way prices for 80% of the trading day (the “Continuous Measurement”), for 80% of the first 5 minutes of the trading day (the “Opening Measurement”) and for 80% of the last 5 minutes of the trading day (the “Closing Measurement”).

4.4 There will be a maximum of 6 PMM roles per Non-Target Group class.

4.5 Members may apply to be a “PMM 10” or “PMM 30” or “PMM All Equity Options”. If a Member applies to be a PMM 10 or PMM 30 he may choose the options (a minimum of 10 or 30, respectively) in which he is interested in being a market maker (subject to there being a maximum of 6 PMMs per option class).

5. PMM role for FTSE Options

5.1 A PMM will have the obligation to make markets in a specified number of series with a remaining lifetime of up to and including 9 months in the NTM area (please see Attachment 2).

5.2 In order to benefit from the maximum transaction fee reduction, PMMs will be required to provide two-way prices for 90% of the trading day (the “Continuous Measurement”), for 90% of the first 5 minutes of the trading day (the “Opening Measurement”) and for 90% of the last 5 minutes of the trading day (the “Closing Measurement”).

5.3 There will be a maximum of 7 PMM roles in FTSE Options.

5.4 Members are advised that the FTSE Option PMM Scheme will operate alongside other FTSE Market Maker Schemes. It should be noted that it will not be possible for a Member to fulfil two different roles in the same expiry months at the same time.

6. Short-Term PLP role for FTSE Options

6.1 The obligation for a Short-Term PLP in FTSE Options is to cover 2 ITM and 8 OTM series with a remaining lifetime of up to and including 9 months.

6.2 In order to benefit from the maximum transaction fee reduction, Short-Term PLPs will be required to provide two-way prices for 90% of the trading day (the “Continuous Measurement”), for 90% of the first 5 minutes of the trading day (the “Opening Measurement”) and for 90% of the last 5 minutes of the trading day (the “Closing Measurement”).

6.3 There will be a maximum of 4 Short-Term PLP roles in FTSE Options.

6.4 Members are advised that the FTSE Option Short-Term PLP Scheme will operate alongside other FTSE Market Maker Schemes. It should be noted that it will not be possible for a Member to fulfil two different roles in the same expiry months at the same time.

7. Long-Term PLP role for FTSE Options

7.1 The obligation for a Long-Term PLP in FTSE Options is to cover 1 ITM and 4 OTM series with a remaining lifetime greater than 9 months.

7.2 In order to benefit from the maximum transaction fee reduction, Long-Term PLPs will be required to provide two-way prices for 80% of the trading day (the "Continuous Measurement"), for 80% of the first 5 minutes of the trading day (the "Opening Measurement") and for 80% of the last 5 minutes of the trading day (the "Closing Measurement").

7.3 There will be a maximum of 3 Long-Term PLP roles in FTSE Options.

7.4 Members are advised that the FTSE Option Long-Term PLP Scheme will operate alongside other FTSE Market Maker Schemes. It should be noted that it is not possible for a Member to fulfil two different roles in the same expiry months at the same time.

8. Performance Bands

8.1 The financial incentives for PLPs and PMMs will comprise Exchange transaction fee reductions. These will be determined by each PLP's or PMM's performance against his market obligations and the number of option classes in which he has such obligations. The following table shows the different performance bands for the different market maker roles. In case a market maker combines market maker roles, the average over the different market maker roles per group will be calculated. The FTSE Option short-term and long-term roles together will be seen as one group alongside the Target Group and Non-Target Group.

Performance	Short Term FTSE Option	Long Term FTSE Option	Target Group	Non Target Group
Band 1	> 90.0%	> 80.0%	> 90.0%	> 80.0%
Band 2	>70.0% - 90.0%	>65.0% - 80.0%	>70.0% - 90.0%	>65.0% - 80.0%
Band 3	50.0% - 70.0%	50.0% - 65.0%	50.0% - 70.0%	50.0% - 65.0%
Band 4	< 50.0%	< 50.0%	< 50.0%	< 50.0%

Example:
The percentage levels relate to the proportion of the relevant period for which the market maker has met his obligations. For example, a market maker in the Short-Term FTSE Option and Target Group and Non-Target Group UK IEOs will be in Band 1 if his average performance in each group, when combined and then re-averaged across the combined performance level, is over 86.67% during the relevant period.

9. Fee Incentives

9.1 The following table gives an overview of the effective per lot transaction fees to be charged to PLPs and PMMs for each of the market maker roles and levels of performance. The section entitled "FTSE Option Combined with" shows the transaction fees for the FTSE Option trades for a market maker with a combined role. Such market makers' effective transaction fees in respect of UK IEOs are shown in the sections of the table entitled "Target Group (TG) Equity Options" and "Non-Target Group (NTG) Equity Options".

Products	Role	Performance			
		Band 1	Band 2	Band 3	Band 4
FTSE Option	**PLP FTSE Option Short-Term**	**15p**	**20p**	**25p**	**25p**
	PLP FTSE Option Long-Term	**15p**	**20p**	**25p**	**25p**
	PMM FTSE Option	**15p**	**20p**	**25p**	**25p**
Target Group (TG) Equity Options	**PLP 20+ (TG)**	**4p**	**8p**	**12p**	**37p**
	PMM 20+ (TG)	**8p**	**16p**	**24p**	**37p**
	PMM ALL Equities (TG)	**4p**	**8p**	**12p**	**37p**
Non-Target Group (NTG) Equity Options	**PMM 10+ (NTG)**	**8p**	**16p**	**24p**	**37p**
	PMM 30+ (NTG)	**4p**	**8p**	**16p**	**37p**
	PMM ALL Equities (NTG)	**0p**	**4p**	**8p**	**37p**
FTSE Option Combined with:	**PLP 20+ (TG)**	**10p**	**15p**	**20p**	**25p**
	PMM 20+ (TG)	**12p**	**18p**	**25p**	**25p**
	PMM 30+ in NTG	**10p**	**15p**	**20p**	**25p**
	PMM ALL Equities	**6p**	**12p**	**18p**	**25p**

9.2 By way of comparison, the current standard Central Order Book transaction fee for the FTSE Option is 25p per lot, per side, and for UK IEOs is 37p per lot, per side.

Example:

A FTSE Option PMM who has performed his market obligations for more than 90% (Band 1) of the relevant period during the trading day (taking into account the Continuous Measurement, the Opening Measurement and the Closing Measurement using an 80%:5%:15% ratio) will pay an effective fee of 15p per lot, per side. Similarly, a PMM 30+ (NTG) who is also a FTSE Option PMM whose performance against his market making obligations fell within the 67.5-85.0% category (Band 2) would pay an effective fee of 8p per lot, per side on his market making business in UK IEOs, and 15p per lot, per side on his business in FTSE Options.

9.3 Exchange transaction fees will be charged on a monthly basis at the standard rate and the relevant amount will be rebated one month in arrears, depending on the market maker's performance against contractually defined obligations (i.e. using the tables set out in paragraph 8.1 and 9.1 above). Per lot fee reductions will also apply to a market maker's proprietary Central Order Book and Bclear transactions in standard FTSE Options and UK IEOs in which he performs a market making role. The principle that will be applied in relation to such Bclear business is that the PLP/PMM will be charged the lesser of:

(a) the standard published Bclear fee (subject to the relevant cap per Bclear transaction); and

(b) the market maker fee (again, subject to the relevant cap for Bclear transactions).

9.4 PLPs/PMMs who perform in Band 3 or better will be charged the market making fee or the rate for published Bclear trades, whichever is the lower, regardless of whether the trade is published or unpublished.

9.5 PLPs/PMMs who perform in Band 3 or better will be charged an LCH.Clearnet Ltd clearing fee of 2p per lot, per side instead of the usual 3p per lot, per side. The only exception to this will be for those market makers taking the "PMM All Equities" market making role who have performed within Band 1, who will not be charged a clearing fee in respect of the Non-Target Group options.

9.6 Transaction for Non-Segregated /Client accounts will attract standard transaction and clearing fees and will not be subject to any rebates.

10. Application process for PLP and PMM Status

10.1 All Members are eligible to apply for PLP/PMM status. Applicants should complete the Application Form available on the NYSE Euronext website: www.nyx.com/elps (under the London heading). The Application Form should be sent to the Quality of Derivative Markets department via fax (+31 (0)20 550 5101) or email (qualityofderivativemarkets@liffe.com) by no later than the close of business on 15 June 2009.

10.2 Members are reminded that the appointment of each PMM/PLP will be subject to a binding contract ("the Agreement") between the successful applicant and the Exchange. A completed application form does not constitute an Agreement. Furthermore, a successful applicant's market maker status, and therefore the period for which the market maker may receive financial benefits, may not be deemed to have commenced until the Agreement is completed and signed by all parties.

11. Selection of PLPs/PMMs

11.1 The Exchange will select the market makers on the basis of:

(a) the quality of their market making in the previous UK ELPS schemes or other Exchange-operated schemes (in terms of performance and quote efficiency); and

(b) the technological and human resources to be allocated to the market making activity.

11.2 An internal Committee, comprising Quality of Derivative Markets, Market Development and Regulatory Management, will select PMMs/PLPs with a view to maximising the quality of the Exchange's market in the relevant Contracts. The Committee reserves the right to limit the number of market makers appointed.

11.3 If, having completed this process, some market making roles have not been taken, the remaining positions will be held open for the remainder of the Scheme period and may be filled during that period by subsequent appointments.

12. PLP/PMM Obligations

12.1 Market Maker obligations for PLPs and PMMs are set out in Attachment 3 to this Info-Flash.

12.2 If there is a trading halt in the underlying stock (including where such stock is suspended, frozen or reserved), the PLPs and PMMs shall not be required to meet their obligations for the duration of the trading halt.

12.3 The market maker is authorised to double the agreed bid/offer spread during the last three business days of an expiry in the relevant expiring series.

12.4 When market circumstances require, NYSE Liffe Market Services may declare a “fast market”. This will be notified through the London API (technical message QSM mode 2). During this period, the market maker is authorised to double the agreed bid/offer spread. The fast market mode has no impact in situations in which the market maker is already allowed to multiply its spread by two (for example, during the last three business days of an expiry in relation to expiring series).

12.5 Where necessary, market makers will be required to work with NYSE Liffe officials to assist in establishing daily settlement prices and to help ensure that the Exchange’s pricing model accurately reflects indicative prices in the relevant options.

12.6 Market maker obligations in case of an option class introduction, delisting or a merger between two companies are set out in Attachment 4 of this Info-Flash.

13. Performance measurement for market makers

13.1 Performance measurement will be based upon MMOs. MMOs allow a market maker, via his Individual Trading Mnemonic, to submit simultaneous bids and offers into an options series. Within each Contract available for trading on LIFFE CONNECT®, only Individual Trading Mnemonics who are technically registered at the Trading Host level may submit MMOs in that Contract.

13.2 PLPs and PMMs will be assigned one Individual Trading Mnemonic for every class. For each market maker, a monthly performance level is calculated that is equal to the average percentage of obligations fulfilled for all of the relevant option classes in one “group” (Target Group, Non-Target Group, or FTSE Options). Monthly performance in a given option class is equal to the weighted average of the monthly Continuous, Opening and Closing Measurements. The Continuous, Opening and Closing Measurement results are respectively multiplied by the Continuous, Opening and Closing measurement weight factors. Thereafter, the sum of these three scores determines the final monthly performance percentage:

Continuous Measurement weight factor: 80%
Opening Measurement weight factor: 5%
Closing Measurement weight factor: 15%

13.3 The series in which a PLP is obliged to quote (2 ITMs and 8 OTMs) will be determined on the basis of the opening price of the underlying value.

13.4 A market maker who is fulfilling a market maker role in more than one group can set a different weighting to each of the groups in which he is active. This weighting will be defined at the moment the market maker contract is signed. The default ratio between the groups will be set to 1:1. The maximum ratio between two groups allowed is 2:1. Market makers in two groups can have a maximum weight of 66.67% for one group and a minimum of 33.33% for the other group. Market makers active in all 3 groups will be capable to having a 2:2:1 or 2:1:1 ratio. This can result in a maximum weight of 50% for one group and a minimum of 25% for the other two groups. When calculating the final overall performance of the market maker this ratio is taken into account. The market maker can request a change in the ratio between the different groups by contacting the Quality of Derivative Markets department via fax (+31 (0)20 550 5101) or email (qualityofderivativemarkets@liffe.com), but only before the performance assessment period (calendar month) has started

13.5 Any PMM/PLP encountering technical problems which could prevent him from complying with his obligations must inform NYSE Liffe Market Services by telephone as quickly as possible (Individual Equity Options: +44 (0)20 7379 2004 and FTSE Options: +44 (0)20 7379 2001). Once the technical issue is resolved, the market maker concerned may send a request for his performance measurement to be adjusted, along with the description of the problem and the solution, by email to: qualityofderivativemarkets@liffe.com. NYSE Liffe will decide whether or not there are sufficient grounds for making an adjustment to the calculation of the market maker's monthly performance.

For further information in relation to this Info-Flash, Members should contact their Account Manager or:

Equity Market Development	+44 (0)20 7379 2200	equities@liffe.com

TECHNICAL FACILITIES FOR THE UK EQUITY OPTIONS MARKETPLACE

1. Market Making Orders ("MMOs")

1.1 PMMs and PLPs will be users of MMO functionality.

1.2 MMOs allow a PMM or PLP, via his Individual Trading Mnemonic, to submit simultaneous bids and offers into an options series. Within each Contract that is available for trading on LIFFE CONNECT®, only Individual Trading Mnemonics which are technically registered at the Trading Host level may submit MMOs into that Contract.

1.3 A PLP in a UK IEO may enter up to 35 MMOs into the contract, in a single message. This will allow 35 series in that contract to have bids and/or offers submitted, revised or pulled, using this single message. LIFFE CONNECT® will then "unravel" the message and populate the order book with the updated quotes from the market maker.

1.4 A PMM in a UK IEO may enter up to 7 MMOs into the contract, in a single message. This will allow 7 series in that contract to have bids and/or offers submitted, revised or pulled, using this single message. LIFFE CONNECT® will then "unravel" the message and populate the order book with the updated quotes from the market maker.

1.5 A PMM in the FTSE Option may enter up to 15 MMOs into the contract, in a single message. This will allow 15 series in that contract to have bids and/or offers submitted, revised or pulled, using this single message. LIFFE CONNECT® will then "unravel" the message and populate the order book with the updated quotes from the market maker.

1.6 A Short-Term PLP in the FTSE Option may enter up to 30 MMOs into the contract, in a single message. This will allow 30 series in that contract to have bids and/or offers submitted, revised or pulled, using this single message. LIFFE CONNECT® will then "unravel" the message and populate the order book with the updated quotes from the market maker.

1.7 A Long-Term PLP in the FTSE Option may enter up to 15 MMOs into the contract, in a single message. This will allow 15 series in that contract to have bids and/or offers submitted, revised or pulled, using this single message. LIFFE CONNECT® will then "unravel" the message and populate the order book with the updated quotes from the market maker.

2. Throttles

2.1 The current LIFFE CONNECT® API (Application Program Interface) has a default setting which limits the number of orders, or messages per second. An Order Throttle is used to restrict the rate at which all participants can enter order messages, including 'conventional' single order and batch order submissions and revisions, and MMO batches (see above). This throttle is set at 4 messages per second for all UK IEO classes and at 8 messages per second for the FTSE Option.

2.2 The following table gives an overview of the capacity per second per Individual Trading Mnemonic based on the market maker role.

Role	Contract throttle (Messages per second)	MMO batch size (double sided quotes)	Number of series to quote per class	Individual Trading Mnemonic capacity per second
PLP IEOs	4	35	120/140 series depending on the Number of Maturities	140 double sided quotes (280 prices)
PMM IEOs	4	7	Maximum of 30 series	28 double sided quotes (56 prices)
PMM FTSE 100	8	15	Maximum of 50 series	120 double sided quotes (240 prices)
Short-Term PLP FTSE 100	8	30	140 series depending on the Number of Maturities	240 double sided quotes (480 prices)
Long-Term PLP FTSE 100	8	15	30/40 series depending on the Number of Maturities	120 double sided quotes (240 prices)

3. Delta Protection

3.1 The Delta Protection facility is exclusively available to PLPs and PMMs in the UK IEOs and FTSE Options. The facility gives the market maker's Individual Trading Mnemonic a degree of protection against being traded on multiple quotes simultaneously. It maintains a cumulative delta position over the trading day on a contract basis, which is updated every time the market maker trades.

3.2 When the delta position exceeds a delta limit set by the market maker's Individual Trading Mnemonic, the Trading Host will send a message to warn the trader and, optionally pull all his remaining MMOs in that contract or expiry. As this action is taken at the Trading Host level, no other market participant can in fact trade with the market maker beyond his Delta limit, and he is therefore 'Delta Protected'.

3.3 The Delta Protection facility is only enabled for MMO Individual Trading Mnemonics, which in turn are only made available to market makers within the ELPS-based schemes.

Near-the-Money ("NTM") Area

PMMs are required to quote continuously in 10% of series (subject to a maximum of 50 series for the FTSE Option and a maximum of 30 series for the UK IEOs). Such series must be part of the NTM area.

The NTM area is a dynamic area and is defined as follows:

(a) The lower boundary is the low of the underlying share price of the day minus 10% ("the offset") with a minimum and maximum as explained in (b) below. The upper boundary is the high of the day of the underlying share price plus 10% with a minimum and maximum as explained in (b) below. All strikes within this created area are part of the NTM area and can be selected by the PMM in order to fulfil its obligations. The area is the same for all maturities in which there is a continuous quoting obligation. Once part of the area, a series remains within the area for the specific trading day in question. Therefore, the area can only grow during a trading day.

(b) The offset is 10% of the relevant traded price of the underlying, and is subject to a minimum of 5 pence and a maximum of 300 Index pence for equity classes and a minimum of 5 Index points and a maximum of 300 points for FTSE Options. PMM obligations can be met in any series in a given option class, up until the contractual remaining lifetime, that has a strike price at or within the boundaries of the NTM area.

Example

Underlying share:

- Highest share price = 205.00p
- Lowest share price = 197.50p

- Upper boundary offset = 20.50p (i.e. 10% of 205.00p)
- Lower boundary offset = 19.75p (i.e. 10% of 197.50p)

- Upper boundary = 205.00 + 20.50 = 225.50p
- Lower boundary = 197.50 – 19.75 = 177.75p

If the NTM area does not include at least 10% of all the series in a class, the PMM obligations will only relate to those series that fall within the NTM area.

Spread and Size Obligations

UK IEOs

Size obligations are determined based upon capitalization of the underlying free float and defined 'money at risk'. Spread obligations are determined based upon the volatility and price of the underlying. PMMs and PLPs will have the same spread and size obligations at a contract/series level. The Exchange will update the spread groups on a semi-annual basis or when the Exchange deems necessary.

	Volatility			
Underlying Value in pence	0 - 30%	> 30 - 50%	> 50 - 70%	> 70%
0 - 200	1	1	1	1
> 200 - 650	1	1	2	2
> 650 - 1250	1	2	3	3
> 1250	2	3	3	3

	Maximum Spread		
Option Bid Price	Group 1	Group 2	Group 3
0 - 15p	3p	5p	7p
>15 - 30p	5p	7p	10p
>30 - 60p	6p	8p	12p
>60 - 100p	7p	9p	15p
>100 - 150p	8p	10p	15p
>150 - 1000p	15p	20p	30p
>1000p	15p	40p	60p

The table below shows the spread and size obligations for the 30 Target Group classes:

	UK Contract	Code	Spread Group	Size
1	ANGLO AMERICAN PLC	AHA	3	5
2	ASTRAZENECA PLC	AZA	3	5
3	AVIVA PLC	CUA	2	15
4	BARCLAYS PLC	BBL	2	25
5	BG GROUP PLC	BGG	3	15
6	BHP BILLITON PLC	BLT	3	10
7	BP PLC	BP	1	25
8	BRITISH AIRWAYS PLC	AWS	1	15
9	BRITISH AMERICAN TOBACCO PLC	TAB	3	10
10	BRITISH SKY BROADCASTING GROUP PLC	BSK	1	10
11	BT GROUP PLC	BTG	1	50
12	CABLE & WIRELESS PLC	C+W	1	15
13	DIAGEO PLC	GNS	2	10
14	GLAXOSMITHKLINE PLC	GXO	2	15
15	HSBC HLDGS PLC	HSB	2	25
16	KINGFISHER PLC	KGF	1	10
17	LAND SECURITIES GROUP PLC	LS	2	5
18	LLOYDS BANKING GROUP PLC	TSB	1	25
19	MARKS & SPENCER GROUP PLC	M+S	1	15
20	MORRISON (WM.) SUPERMARKETS PLC	MWR	1	15
21	PRUDENTIAL PLC	PRU	2	15
22	RIO TINTO PLC	RTZ	3	5
23	ROYAL BANK OF SCOTLAND GROUP PLC	RBS	1	25
24	ROYAL DUTCH SHELL PLC	SHL	3	10
25	RSA INSURANCE GROUP PLC	RYL	1	15
26	SAINSBURY(J) PLC	SAN	1	15
27	STANDARD CHARTERED PLC	SCB	3	10
28	TESCO PLC	TCO	1	25
29	VODAFONE GROUP PLC	VOD	1	100
30	XSTRATA PLC	XST	3	10

The table below shows the spread and size obligations for the 62 Non-Target Group classes:

	UK Contract	Code	Spread Group	Size
1	ASSOCIATED BRITISH FOODS PLC	ABR	2	5
2	3I GROUP PLC	III	2	5
3	ADMIRAL GROUP PLC	ADG	3	3
4	ANTOFAGASTA PLC	ATT	2	5
5	ARM HOLDINGS PLC	ARM	1	10
6	BAE SYSTEMS PLC	AER	1	10
7	BRITISH LAND CO PLC	BLC	2	5
8	CADBURY PLC	CAB	1	10
9	CAIRN ENERGY PLC	CNG	3	3
10	CAPITA GROUP PLC	CPI	1	5
11	CARNIVAL PLC	POC	3	3
12	CENTRICA PLC	CTR	1	10
13	COMPASS GROUP PLC	CPG	1	10
14	DSG INTERNATIONAL PLC	DIX	1	10
15	ENTERPRISE INNS PLC	ETP	1	5
16	EXPERIAN PLC	EXP	1	5
17	HOME RETAIL GROUP PLC	HRG	2	10
18	ICAP PLC	ICA	2	5
19	IMPERIAL TOBACCO GROUP PLC	IMP	3	5
20	INTERCONTINENTAL HOTELS GROUP PLC	IHG	2	3
21	INTERNATIONAL POWER PLC	IPR	1	10
22	INVENSYS PLC	BRT	2	10
23	ITV PLC	GME	1	10
24	KAZAKHMYS PLC	KZK	3	3
25	LADBROKES PLC	LDB	1	10
26	LEGAL & GENERAL GROUP PLC	LGE	1	10
27	LIBERTY INTERNATIONAL PLC	LIB	2	5
28	LOGICA PLC	LOG	1	10
29	LONDON STOCK EXCHANGE GROUP PLC	LSE	3	3
30	LONMIN PLC	LNM	3	3
31	MAN GROUP PLC	EMG	2	10
32	MITCHELLS & BUTLERS PLC	MAB	2	5
33	NATIONAL GRID PLC	NGG	2	10
34	NEXT PLC	NXT	3	3
35	OLD MUTUAL PLC	OMT	1	5
36	PARTYGAMING PLC	PTG	2	10
37	PEARSON PLC	PSO	2	5
38	PERSIMMON PLC	PER	2	5
39	RANDGOLD RESOURCES LTD	RAR	3	3
40	RECKITT BENCKISER GROUP PLC	RB	3	5
41	REED ELSEVIER PLC	REI	1	10
42	RENTOKIL INITIAL PLC	RTO	1	10

	UK Contract	Code	Spread Group	Size
43	ROLLS-ROYCE GROUP PLC	RR	1	10
44	ROYAL DUTCH SHELL PLC	SHA	3	10
45	SABMILLER PLC	SAB	3	10
46	SAGE GROUP PLC	SGE	1	10
47	SCOTTISH & SOUTHERN ENERGY PLC	SSE	2	5
48	SEVERN TRENT PLC	SVT	2	3
49	SHIRE PLC	SHP	2	3
50	SMITH & NEPHEW PLC	SNP	1	5
51	STANDARD LIFE PLC	LFI	1	10
52	TATE & LYLE PLC	TAT	1	5
53	TAYLOR WIMPEY PLC	TWP	1	5
54	THOMSON REUTERS PLC	RUT	3	3
55	TOMKINS PLC	TMK	1	10
56	TULLOW OIL PLC	TLO	3	5
57	UNILEVER PLC	ULV	2	5
58	UNITED UTILITIES GROUP PLC	UUL	1	5
59	WHITBREAD PLC	WTB	2	3
60	WILLIAM HILL PLC	WHL	2	10
61	WOLSELEY PLC	WSY	3	3
62	WPP PLC	WPP	1	10

FTSE Options

The size obligation for FTSE Options is set at 10 lots.
The obligations in terms of bid/offer spreads (expressed in Index points) are defined as follows:

FTSE Option	Term =< 9 months
Option bid price:	**Maximum spread**
0.00 – 2.50	1.0
>2.5 – 5.00	1.5
>5 – 10.00	2.0
>10 – 25.00	2.5
>25 – 50.00	3.0
>50 - 100.00	4.0
>100 - 200.00	5.0
> 200 – 300.00	6.0
> 300 – 400.00	7.0
>400	8.0

FTSE Option	Term > 9 months
Option bid price:	**Maximum spread**
<50.00	4.0
>50 - 100.00	5.0
>100 - 200.00	6.0
> 200 – 300.00	8.0
> 300 – 400.00	9.0
> 400 – 500.00	10.0
>500	12.0

Listing and Delisting of Option classes

Introduction of new option classes

During a contract period, new classes can be introduced. If a new class is introduced, market makers may apply for a role in that class, but are not obliged to do so.

If a class is not taken by an existing market maker, Liffe may decide to allow non market maker firms, or a market maker in another group of classes, to take the role for the new class.

Delisting of option classes

When an option class is delisted, a market maker active in this class will not be assigned a new class. A PMM 30 (NTG) therefore could, for example, have obligations in just 29 classes. This would apply for the remaining period of the market making agreement.

Merger between two companies

A new option class relating to shares in the newly created company will be introduced. The PLPs and PMMs active in the option classes relating to the shares of the merging companies (the “old” classes) will become PLPs and PMMs for the new option class provided that the new class remains in the same group, Target or Non-Target. A Member can only hold one market making role in this new class.