

## **Terms and Conditions for the New Market Participants Scheme**

### **1. Introduction**

- 1.1 These Terms and Conditions, together with the Application Form (attached as Appendix 1) and London Notice No. 3272, issued on 31 March 2010, and any amendments prescribed by the Exchange by London Notice from time to time (the “Agreement”), govern the participation of the individual trader (the “NMP”) in the scheme for New Market Participants (“the Scheme”). The parties to this Agreement are the Exchange and the signatories to the Application Form.
- 1.2 Capitalised or italicised terms (not defined in these Terms and Conditions) shall have the meanings given to them in London Notice No. 3272, the Application Form or the Rules of the Exchange, as the case may be.

### **2. NMP Obligations**

- 2.1 Where the NMP is neither a Member of the Exchange nor a responsible person, the NMP acknowledges and agrees that it shall be deemed a relevant person and agrees to be bound by the Rules (as amended from time to time).
- 2.2 The NMP represents and warrants, both at the date of submission to the Exchange of the Application Form and throughout its participation in the Scheme, that the NMP meets the relevant Exchange Definition of a New Market Participant as set out in London Notice No. 3272, as the same may be amended from time to time by the Exchange.
- 2.3 The NMP agrees that all market-assigned business submitted using the TRS Account Reference(s) provided by the NMP on the Application Form will meet the definition of Qualifying Business, as the same is amended from time to time by the Exchange.
- 2.4 The NMP agrees to provide immediate written notice to the Exchange in the event of any change to representations made under this clause 2 or information provided in the Application Form.

### **3. Obligations**

- 3.1 Where the NMP is not a Member of the Exchange, the Clearing Member and Member (if any) shall, to the extent practicable, ensure that the only market-assigned business submitted under the NMP’s Account Reference(s) (as given in the relevant Application Form) as Qualifying Business is business of the NMP.
- 3.2 The Exchange will charge the Clearing Member the transaction fees at the applicable rate.
- 3.3 The Clearing Member and the Member (if a party to this Agreement) agree to pass on all the rebates received from the Exchange under the Scheme in accordance with any arrangements in place between the Clearing Member, the Member (if a party to this Agreement) and the NMP.
- 3.4 Clause 3.3 shall not apply where the Exchange and the NMP are the only parties to this Agreement.

### **4. Payment of Rebates**

- 4.1 The Exchange will calculate the transaction fee charges based on the standard transaction fee per lot per side for all Qualifying Business using the Account Reference(s) provided on the Application Form. The Exchange will then calculate the rebate due in accordance with London Notice No. 3272 and any amendments thereto and pay the appropriate rebate in accordance

with this Agreement. The Exchange will only credit rebates for Qualifying Business submitted using the precise TRS Account Reference provided by the NMP on the relevant Application Form and the Exchange accepts no liability for any errors, omissions or any underpayment resulting from inaccurately submitted business.

4.2 In the event that any Qualifying Business under this Scheme may also qualify as business undertaken by the NMP giving rise to a benefit under any other Exchange liquidity provision, market making or other similar scheme or arrangement (regardless of whether such scheme or arrangement is an “incentive scheme” within the FSA’s guidance), the Exchange may decide in its absolute discretion to take one or more of the following actions:

- a) not to credit any further rebates otherwise due under this Scheme;
- b) to re-charge some or all of the discounted transaction fees made under this Scheme; and
- c) to terminate this Agreement by notice to the parties with immediate effect.

## **5. Term and Termination**

5.1 The Scheme will come into effect on 1 April 2010. This Agreement shall be effective upon approval by the Exchange of the completed Application Form, or on 1 April 2010 if such approval takes place before that date. The Exchange may give its approval at any time up until 28 February 2011.

5.2 The Exchange may terminate the Scheme in its entirety, and thereby this Agreement, at any time on seven days’ written notice.

5.3 The Exchange may terminate this Agreement by written notice with immediate effect on the occurrence of one or more of the following events:

- a) a material change in the ownership or the nature of the business and operations of the other party (or, where there is more than one other party, any of the other parties) which, in the Exchange’s opinion, might affect the performance of the obligations of that party under this Agreement (or, where there is more than one other party, the obligations of any of the other parties);
- b) the other party (or, where there is more than one other party, any of the other parties), being a member of the Exchange, ceases to be a member of the Exchange, has its trading rights suspended or is declared a defaulter pursuant to the Rules;
- c) any of the other parties is subject to criminal, regulatory or insolvency (or other analogous) proceedings;
- d) the clearing agreement between the Member, if any, and the Clearing Member is terminated;
- e) the relationship between the NMP, the Member, if any, and the Clearing Member is terminated.

5.4 In the event the Exchange determines, in its absolute discretion, that any of the other parties materially breaches or fails to perform any of its respective obligations under this Agreement, the Exchange may decide, in its absolute discretion, to take one or more of the following actions:

- a) to terminate this Agreement by notice to the parties with immediate effect;

- b) to not credit some or all of the rebates for the period or periods affected by the breach or failure or any future period; and
- c) to re-charge some or all of the rebates paid in respect of any period affected by the breach or failure.

## **6. Liability**

- 6.1 On termination of the Scheme or this Agreement for whatever reason, the other party (or where there is more than one, the other parties) shall have no claim against the Exchange for damages or compensation of whatever nature.
- 6.2 Termination of this Agreement shall not affect the accrued rights and obligations of any of the parties except that the Exchange reserves the right not to credit rebates where this Agreement is terminated pursuant to clause 4.2, 5.3(c) or clause 5.4.

## **7. Miscellaneous**

- 7.1 Any notice required to be given pursuant to this Agreement shall be in writing and may be given electronically, by facsimile, by hand or by post to the address of the relevant party which appears on the Application Form or which is notified to each of the other parties from time to time for that purpose. Any such notice shall be deemed received when sent except in the case of delivery by post which shall be deemed received 24 hours after posting (if sent to an address in the United Kingdom mainland) or three working days after posting if sent to an address outside the UK.
- 7.2 No party to this Agreement may assign, sub-contract or delegate any of its rights or obligations under this Agreement without the prior written consent of the other parties.
- 7.3 A person who is not a party to this Agreement shall have no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.
- 7.4 In the event of any conflict between this Agreement and the Rules, the Rules shall prevail.
- 7.5 This Agreement (together with any disputes arising under or in connection with this Agreement) shall be governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

March 2010

**Appendix 1 – Application Form for the New Market Participants Scheme**

- Please complete in BLOCK CAPITALS ensuring such information is clear and correct
- If you need assistance to complete this form, please contact your NYSE Liffe Account Manager.
- The Exchange stresses that any underpayment of transaction rebates resulting from inaccurate application / registration details will NOT be corrected retrospectively by the Exchange.

**New Market Participants Details**

**Name of applicant (please insert full legal name)**

.....(The “NMP”)

Contact Name.....

Telephone Number.....

Mobile.....

Email.....

Primary Trading Location.....

**User Specified field(s) on LIFFE CONNECT® /Account Reference(s) on Trade Registration System (TRS)**

By signing this Agreement, the NMP agrees to be bound by its terms

Signature..... Date.....

Name of signatory.....

Position.....

**Member authorization (this section can be left blank where the NMP trades through a LIFFE Clearing Member)**

Full legal name..... (The “Member”)

By signing this Agreement, the Member agrees to be bound by its terms

Signature..... Date.....

Name of signatory.....

Position.....

**Clearing Member authorization**

Full legal name..... (The “Clearing Member”)

By signing this Agreement, the Clearing Member agrees to be bound by its terms

Signature..... Date.....

Name of signatory.....

Position.....